Integrated Annual Report **2015**

Montauk Holdings Limited

CONTENTS

SCOPE OF INTEGRATED ANNUAL REPORT

The report covers the integrated performance of Montauk Holdings Limited ("Montauk", "the Group" or "the Company") for the period 1 April 2014 to 31 March 2015.

Montauk Holdings Limited was unbundled to its shareholders by Hosken Consolidated Investments Limited ("HCI") on 15 December 2014 and is a publicly owned company listed on the JSE Limited ("JSE"). The Group develops, owns and operates large-scale renewable energy projects utilising landfill methane in the United States of America and operates significantly only in that country as at 31 March 2015. The geographical footprint of the Group is provided on page 5. Information relating to the Company's subsidiaries are as reflected on page 80 of this integrated annual report.

The integrated annual report and annual financial statements have been prepared according to International Financial Reporting Standards ("IFRS"), the requirements of the Companies Act, 71 of 2008, as amended ("the Companies Act"), and the Listings Requirements of the JSE.

The notice of the annual general meeting, proxy form and other administrative information also form part of the report and can be found on pages 91 to 101.

A copy of the integrated annual report, containing the audited annual financial statements is available on www.montauk.co.za ("Montauk's website"). Printed copies of this report can be requested from the company secretary, HCI Managerial Services Proprietary Limited, Tel: +27 21 481 7560.

ABOUT THE INTEGRATED ANNUAL REPORT

BASIS OF CONTENT

The integrated annual report conveys information regarding the Group's financial and non-financial performance. It is reflective of the Group's commitment to create shareholder value while considering the triple contexts in which companies operate: social, environmental and economic.

The integrated annual report is Montauk's primary report to stakeholders and includes information that the board and management deem to be useful and relevant to stakeholders, and is guided by:

- the Company's memorandum of incorporation ("MOI");
- the Companies Act, 71 of 2008, as amended;
- the JSE Listings Requirements; and
- the King III Report on Corporate Governance for South Africa ("King III").

EXTERNAL ASSURANCE ON CONTENT AND APPROVAL OF THE REPORT

This integrated annual report is the result of combined input from Montauk and its subsidiaries on their activities and achievements for the year. No independent third-party assurance was obtained on the non-financial data included in this integrated annual report. A key component of assurance is the approval of data and information by Montauk's executive management, the audit and risk committee and, ultimately, the board.

This report was reviewed by management and the audit and risk committee and approved by the board on 18 September 2015. The external auditor, Grant Thornton Johannesburg Partnership, provide assurance on the annual financial statements.

We believe that this integrated annual report offers stakeholders the necessary information to make considered evaluations about Montauk's business activities and performance, and business viability.

MATERIALITY

While many issues affect the business on a daily basis the most material are those that may impact ongoing success. In determining which matters are material for disclosure in the integrated annual report, consideration was given to those which may affect Montauk's strategy or business model. Identifying these issues involves consideration of Montauk's external and regulatory environment, key business risks and inputs from stakeholders.

The following were taken into account in developing our understanding of the most material issues:

- agreements and commitments entered into by Montauk;
- relevant current and future regulation and legislation;
- Montauk's strategies, policies, systems, goals and values;
- significant risks identified through Montauk's risk management process; and
- expectations, views, concerns and interest expressed by stakeholders.

CHANGES TO THE GROUP THAT WOULD RESULT IN COMPARATIVE INFORMATION NOT BEING MEANINGFUL

During the year ended 31 March 2014 the board of directors of HCI resolved to unbundle and separately list its interest in Montauk, which it successfully concluded on 15 December 2014. In anticipation of the listing of Montauk, the Company disposed of its 80% interest in Longkloof Limited and Crystal Brook Distribution Proprietary Limited in September 2014. It furthermore disposed of its 100% interest in Deepkloof Limited, which contained the Group's diversified Australian and oil and gas prospecting interests, in October 2014.

Where applicable, the results of disposed businesses were classified as discontinued operations in the current and prior years and the assets and liabilities of these businesses classified as held for sale in the prior year.

FORWARD-LOOKING STATEMENTS

This integrated annual report contains certain forward-looking statements which relate to the financial position and results of the operations of the Group. These statements by their nature involve risk and uncertainty as they relate to events and depend on circumstances that may occur in the future. These forward-looking statements have not been reviewed or reported on by the Group's external auditor.

SHAREHOLDER SNAPSHOT

ANALYSIS OF SHAREHOLDERS

RANGE OF UNITS

Share range	Number of shareholders	% of shareholders	Number of shares	% of issued capital
1 – 1 000	1 123	60,4	307 237	0,3
1 001 – 10 000	451	24,2	1 522 156	1,1
10 001 – 50 000	172	9,2	3 776 493	2,8
50 001 – 100 000	37	2,0	2 684 981	2,0
100 001 – 500 000	39	2,1	9 258 924	6,8
500 001 – 1 000 000	17	0,9	12 292 267	9,1
1 000 001 shares and over	22	1,2	105 414 098	77,9
Total	1 861	100,0	135 256 156	100,0

TYPE OF SHAREHOLDER

	Number of shareholders	% of shareholders	Number of shares	% of shares
Banks	26	1,4	2 894 024	2,1
Brokers	3	0,2	1 211	0,0
Close corporations	49	2,6	2 541 976	1,9
Endowment fund	1	0,1	6 002	0,0
Individuals	1 474	79,1	52 912 950	39,1
Insurance company	1	0,1	91 946	0,1
Investment companies	44	2,4	11 927 362	8,8
Other corporation	1	0,1	120	0,0
Pension funds	41	2,2	1 021 054	0,8
Private companies	37	2,0	52 289 783	38,7
Public companies	21	1,1	6 236 289	4,6
Trusts	163	8,7	5 333 439	3,9
Total	1 861	100,0	135 256 156	100,0

PUBLIC/NON-PUBLIC SHAREHOLDERS

	Number of shareholders	% of shareholders	Number of shares	% of issued capital
Public shareholders	1 856	99,8	99 127 931	73,3
Non-public shareholders	5	0,2	36 128 225	26,7
Directors	4	0,2	10 865 850	8,0
Shareholder holding 10% or more	1	0,0	25 262 375	18,7
Total	1 861	100,0	135 256 156	100,0

BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE

Shareholder	Type of holding	Number of shares	% of issued capital
Rivetprops 47 Proprietary Limited	Dematerialised	25 262 375	18,7
Majorshelf 183 Proprietary Limited	Dematerialised	12 731 899	9,4
MJA Golding	Dematerialised	10 071 061	7,5

SHAREHOLDER SNAPSHOT continued

BREAKDOWN BY DOMICILE

Domicile	Number of share-holders	% of share-holders	Number of shares	% of issued capital
Non-resident shareholders	79	4,2	20 464 428	15,1
Resident shareholders	1 782	95,8	114 791 728	84,9
Total	1 861	100,0	135 256 156	100,0

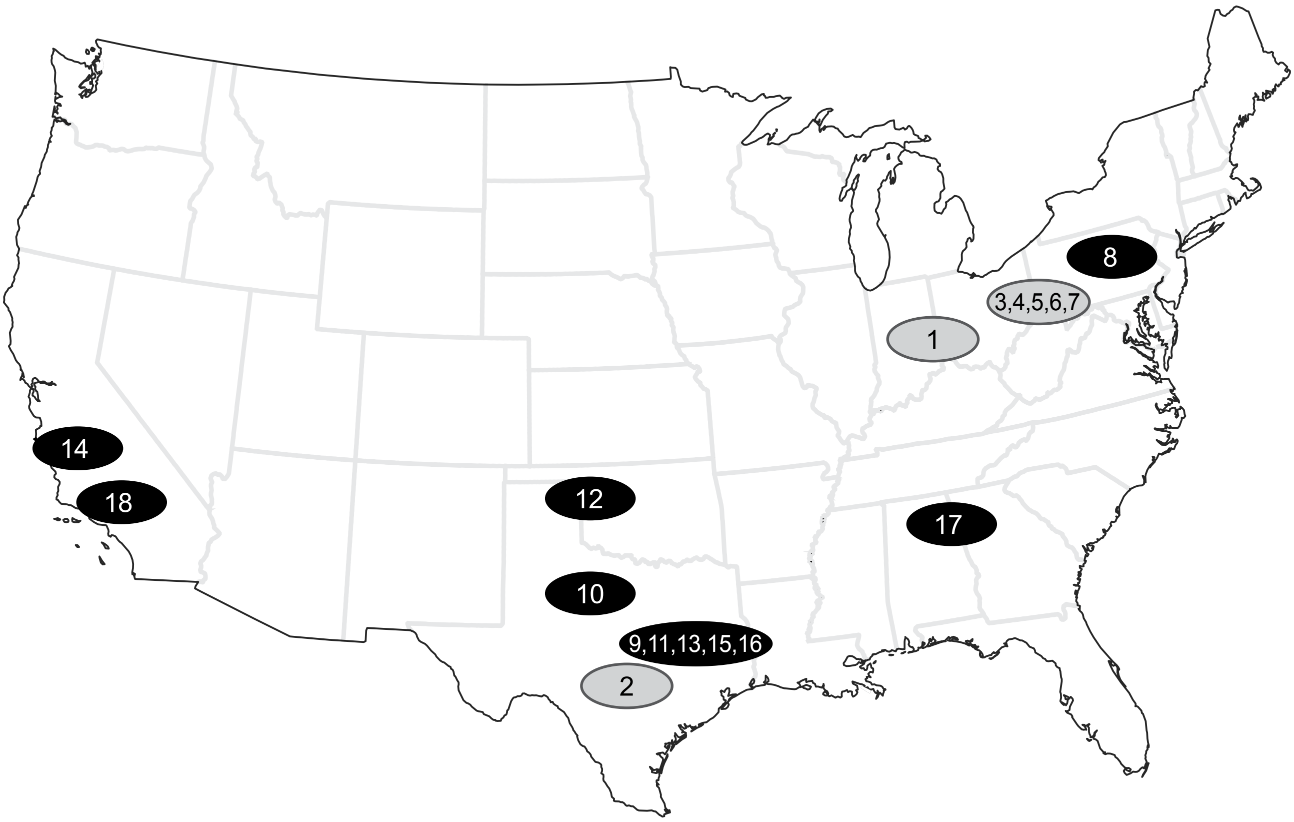
SECURITIES EXCHANGE PERFORMANCE

Total number of shares traded (000's)	35 540
Total value of shares traded (R'000)	106 871
Market price (cents per share)	
– Closing	350
– High	750
– Low	190
Market capitalisation (R'000)	473 397

SHAREHOLDERS' DIARY

Financial year-end	31 March
Annual general meeting	29 October
Reports	
– Preliminary results	June
– Interim results	October
– Annual financial statements	September

GEOGRAPHICAL SPREAD OF PROJECTS



KEY			
Renewable Natural Gas		Renewable Electric	
1	Rumpke	8	Monmouth
2	McCarty	9	Atascocita
3	Monroeville	10	McKinney
4	Valley	11	Coastal Plains
5	Raeger Mountain	12	AEL
6	Southern	13	Security
7	Shade	14	Toyon
		15	Bayton
		16	Blue Bonnet
		17	Bartow
		18	Bowerman

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

David Richard Herrman (48)
(BSc, CPA) United States of America

Mr David Herrman is the chief executive officer of Montauk. Prior to joining the Group he held various executive positions with Duquesne Light Holdings Incorporated, Interstate Hotels and Resorts Incorporated and PricewaterhouseCoopers.

Committee membership
Social and ethics committee

Sean Fitzgerald McClain (41)
(BSc, CPA, MBA) United States of America

Mr Sean McClain is the chief financial officer of Montauk. Prior to joining the Group he held various executive positions with BPL Global Limited, Bayer A.G., Dick's Sporting Goods Incorporated and Arthur Andersen LLP.

NON-EXECUTIVE DIRECTORS

John Anthony Copelyn (65)
(BA (Hons), BProc) South Africa

Mr John Copelyn is the non-executive chairman of Montauk. He was appointed to the board in 2010. He is the chief executive officer of HCI, the Group's previous holding company. John was previously general secretary of various unions in the clothing and textile industry from 1974 before becoming a member of parliament in 1994. He currently holds various directorships and is non-executive chairman of Seardel Investment Corporation Limited, Deneb Investments Limited, Niveus Investments Limited, Tsogo Sun Holdings Limited and the HCI Foundation.

Committee memberships
Remuneration committee; social and ethics committee (chairman)

Mohamed Haroun Ahmed (50)
(BCompt) South Africa

Mr Mohamed Ahmed fulfils the role of lead independent director of the board. He is a businessman and has held directorships in numerous listed and unlisted companies. Mohamed is currently the lead independent director of Deneb Investments Limited and the chairman of its audit committee.

Committee memberships
Audit and risk committee (chairman); remuneration committee (chairman)

Michael Alon Jacobson (47)
(BCompt, CA(SA), CFA) Australia

Mr Michael Jacobson is an executive director of Oceania Capital Partners Limited, an investment holding company listed on the Australian Stock Exchange. He joined HCI in 2003 and previously held directorships in several HCI subsidiaries such as Tsogo Sun Holdings Proprietary Limited, Johnnic Holdings Limited and Seardel Investment Corporation Limited.

Naziema Jappie (55)
(MSc Social Sciences) South Africa

Ms Jappie is a businesswoman and previously held positions in various labour unions. She is a non-executive director of Seardel Investment Corporation Limited and Golden Arrow Bus Services Proprietary Limited and a member of the former's audit committee.

Committee memberships
Audit and risk committee; social and ethics committee; remuneration committee

Bruce Steven Raynor (65)
(BSc Labour Relations) United States of America

Mr Bruce Raynor is a former executive vice president of the Service Employees International Union in the United States and former president of the United States union "Workers United". He was chairman of several union-affiliated national pension and insurance funds and was chairman of Amalgamated Life Insurance Company and Amalgamated Bank, the only union-owned bank in the United States. Bruce is currently president of The Sidney Hillman Foundation, a foundation that supports and rewards socially conscious journalism, and the principal of R and S Associates LLC, a consulting firm based in New York.

Committee memberships
Audit and risk committee

André van der Veen (44)
(BCompt, CA(SA), CFA, ACMA) South Africa

Mr André van der Veen previously held positions in investment banking at Nedcor Investment Bank, Greenwich Techlab and Mettle Limited. He joined HCI in 2004 and was involved in its initial investment in Montauk Energy Capital LLC. He currently serves as the non-executive chairman of HCI Coal Proprietary Limited and is the chief executive officer of Niveus Investments Limited and KWV Holdings Limited.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REPORT

The unbundling of Montauk from HCI occurred in December 2014, after a series of transactions isolating the US-based renewable energy business as the sole operating business going forward. This process has allowed HCI shareholders to hold both an interest in a US Dollar-based investment, as a natural hedge against the movement in the value of the Rand, and a direct investment in the renewable energy business in the US.

At Montauk we are very proud to be a leader of an industry that is at the forefront of the sustainability movement through the capture and beneficial use of landfill methane. Methane, with a global warming potential 25 times greater than carbon dioxide, is a potent greenhouse gas that is a key contributor to global climate change.

BUSINESS OVERVIEW

The business, with all its social and environmental qualities, can be difficult at times due to the inherent higher production costs as compared to fossil fuel-based energy producers. This is due primarily to the variability in the production of landfill methane due to factors such as climate, waste intake and waste composition as well as the capital-intensive process to recover and process landfill methane from raw landfill gas to enable it to be used as a fuel.

The pricing of the various types of renewable energy produced by the Group is an ever-changing balance between the underlying energy commodity price and any associated environmental attribute premiums that can be realised. With electricity and natural gas commodity pricing in the US having been depressed for several years while still maintaining a relatively high degree of short-term volatility, the premiums associated with the various environmental attributes produced have become, and will continue to be, a major factor in the profitability of the business.

In this market, our focus will continue to be to position the Company and its facilities to capitalise on and leverage the opportunities that develop in the renewable energy markets. The evolving regulatory environment mandating the use of renewable fuels can lead to opportunities that allow existing projects to capture additional premiums as they become available. To that end, the Company has made the decision to remain flexible in its offtake contract strategy, prolonging the growth of short-term results to potentially capture and maximise longer-term value from these programmes.

ENVIRONMENTAL ATTRIBUTE PROGRAMMES

Until recently, the environmental premiums associated with renewable energy produced by Montauk were centred on various state renewable portfolio standards requiring that a stated percentage of the electricity produced in that state comes from a renewable resource. That resource could be either the renewable electricity itself produced from one of our facilities or the use of renewable natural gas as a replacement for natural gas in a natural gas-fired generation facility. The value and requirements for each state programme vary widely, which can limit the ability of similar facilities located in different states from having a similar pricing structure.

In fiscal 2015, as a result of a United States Environmental Protection Agency ("EPA") ruling that allowed renewable natural gas used as a vehicle fuel to qualify as a cellulosic renewable identification number ("RIN") under the EPA's controversial Renewable Fuel Standard ("RFS II") programme, the Company began participating in the programme and also intends on increasing its participation in the RFS II programme as production from additional facilities becomes available. While the programme allows for renewable natural gas produced anywhere in the US to qualify and potentially offer premiums significantly higher than previously realised, delays in the timely administration of the mandated volume requirements of US refiners has impacted the stabilisation of the expected market which, in turn, prompted us to withhold monetising the majority of the RINs produced in fiscal 2015 until the pricing being obtained in the market meets our expectations.

In May 2015 the EPA released proposed volume obligations for 2014, 2015 and 2016. The 2014 matches 2014 actual production and, while the 2015 and 2016 proposals are somewhat below our expectations, was a step in the right direction towards developing a market for the RINs produced. The proposed volume obligations are expected to be finalised by the EPA in November 2015. In the interim, the EPA has solicited comments from industry participants (including Montauk) on the volumes which it intends to use in finalising the volume obligations to accurately reflect actual production while promoting the growth of cellulosic biofuels. Montauk has taken an active role in the process by providing comments both individually and collectively through various renewable energy organisations to assist the EPA in setting obligations that meet the projected production for the industry. We remain confident that timely and sufficient volume obligations will be set to stabilise the market in the near future.

RESULTS

The Company's EBITDA from continuing operations for fiscal 2015 was $2.5 million, which was approximately 62% below the prior year, primarily as a result of the strategy to defer the sale of the majority of cellulosic RINs generated in fiscal 2015 from the Company's renewable natural gas facilities participating in the EPA's RFS II programme and the volatility of the prices realised for the underlying energy commodities. The Company has deferred the sale of the RINs awaiting the EPA's finalisation of the volume obligations for both 2014 and 2015. At 31 March 2015, the Company had approximately 10.0 million RINs generated and unsold in inventory.

Revenue from the Company's renewable natural gas facilities decreased approximately 8% for the year ended 31 March 2015 from the prior year despite an 8% increase in volume produced. The decrease is a result of the deferral of the sale of cellulosic RINs and a 3% decrease in the average natural gas price.

Revenue from the Company's electric generation facilities decreased 2% for the year ended 31 March 2015 from the prior year despite a 4% increase in electric production. The decrease is a result of a 15% decrease in the average price realised on the Company's electric production, primarily due to the expiration of an above-market fixed-price contract for one of the Company's electric generation facilities in the first quarter of fiscal 2015, as well as a $0.5 million reduction in revenues incurred as a result of the inability to meet required minimum production levels under the expired contract.

Expenses increased 6% in 2015 as compared to the prior year primarily as a result of the timing of scheduled major maintenance events for electric facilities. The Company has committed to and looks to continue to improve on its aggressive preventative maintenance programme that is designed to maximise each facility's availability, allow for greater predictability in maintenance and ultimately drive down costs per unit produced. This approach will continue to allow the Company to maintain financial performance during periods of challenging economic times and keep the flexibility to capture value as it arises through the underlying commodity or new renewable energy programmes.

DEVELOPMENT ACTIVITIES

The Company is progressing on its construction of the 20 Megawatt electric generation facility in Southern California. The project is scheduled to be completed and begin commercial operations in the fourth quarter of fiscal 2016. The size of the facility and the attractive 20-year fixed-price contract with a large municipality in Southern California will provide a solid earnings base which complements the Company's flexible strategy to capture emerging value from its existing facilities.

SUBSEQUENT EVENTS

In May 2015, the Company sold and received $9.9 million (net of commission) related to a one-time generation and sale of Emission Reduction Credits ("ERCs"). The ERCs were generated as a result of the Company constructing and operating specialised pollution control equipment that created a permanent reduction in emissions that exceeded the amount of reductions required by governing regulations to operate the facility.

In June 2015, the Company closed on an acquisition of three additional renewable natural gas facilities located in Southwestern Pennsylvania. The purchase increases the number of renewable natural gas facilities operated from four to seven and increases production capacity of the combined portfolio by approximately 20%. This addition strengthens Montauk's position as a leader in the production of renewable natural gas from landfill methane.

In September 2015, the Company agreed to a settlement of a pricing dispute that arose subsequent to year-end with a counterparty that purchases the cellulosic RINs produced from one of its renewable natural gas facilities. While the Company is pleased to have settled the dispute, the outcome has the effect of the Company being in a less favourable position than anticipated for the near future.

SUMMARY

In an industry that continues to experience depressed energy pricing, management believes that Montauk is well positioned to capture both existing and emerging value from developing the renewable energy markets in order to drive long-term entity value.

CORPORATE GOVERNANCE

Ethical conduct, good corporate governance, risk governance and fair remuneration are fundamental to the way that Montauk manages its business. Stakeholders' interests are balanced against effective risk management and Montauk's obligations to ensure ethical management and responsible control.

ETHICS

The Montauk board of directors is committed to the principles of good corporate governance. Ethical behaviour in Company undertakings is maintained by all directors, officers and staff in accordance with the Group's ethics policy. The policy requires that individual employees comply with all relevant legal requirements and regulations that apply to their area of work and provides guidance on matters such as respecting intellectual property rights and avoiding conflict of interest. Montauk acknowledges and understands that the operation of its businesses requires a shared set of core values and ethical conduct to which each employee is held accountable.

The directors of the Company are accountable to act in accordance with the Group's directors' code of conduct. The governing principles are broadly defined as standards of diligence and good faith.

The board endorses the Code of Corporate Practices and Conduct set out in the King III Report on Corporate Governance for South Africa ("King III").

The board acknowledges its responsibility to ensure the integrity of the integrated annual report, believes that it addresses all material issues and that it fairly represents the integrated performance of Montauk. The Company's commitment to good corporate governance is formalised in its charter and policies.

As a corporate citizen, Montauk has a responsibility to conduct its affairs with diligence and responsibility, and to safeguard the interests of all stakeholders.

The board is accountable for the strategy, direction and corporate behaviour of the Company. This includes oversight over policies and procedures that promote Company conduct in accordance with the Company's code of ethics.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of Montauk. The Group operates in a highly regulated environment. Where necessary, compliance officers have been appointed at the Group's subsidiaries to ensure adherence to the various legislations and regulations that govern the day-to-day operations. Internal control structures have been implemented to ensure that significant business and financial risk is identified and appropriately managed.

BOARD OF DIRECTORS

The board is regulated by a formal board charter, which sets out the role of the board and the responsibilities of the directors. While control is delegated to the executive committee in the day-to-day management of the Group, the board retains full and effective control over the Company and is accountable and responsible for its performance. The board charter codifies the board's composition, appointment, authorities, responsibilities and processes, and sets out the fiduciary duties of the directors of the Company. It provides the board with a mandate to exercise leadership, determine the Group's vision and strategy and monitor operational performance.

Composition of the board

The roles of chairman and chief executive officer are separate and the composition of the board ensures a balance of authority precluding any one director from exercising unfettered powers of decision-making. The directors are individuals of a high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process. The board each year evaluates its composition to ensure an appropriate mix of skills and experience.

The board comprises eight members of whom six are non-executive directors. Three of the non-executive directors are also independent directors. Principle 2.16 of King III recommends that the board should elect a chairperson who is an independent non-executive director. The board has appointed a non-executive chairperson and in terms of the definition, he is not regarded as independent. The board is of the opinion that the experience and specialist knowledge of the industry makes it appropriate for him to hold this position. The board has appointed Mr MH Ahmed as lead independent non-executive director effective on the date of listing on the JSE. The independence of the directors classified as "independent" was evaluated by weighing all relevant factors, including length of services on the board, which may impair independence.

The executive directors are Mr DR Herrman, (chief executive officer) and Mr SF McClain (chief financial officer).

The Companies Act places certain duties on directors and determines that they should apply the necessary care and skill in fulfilling their duties. To ensure that this is achieved best practice principles, as contained in King III, are applied where applicable.

No director has an automatic right to a position on the board. All directors are required to be elected by shareholders at an annual general meeting. The Company, in general meeting, may appoint any person to be a director subject to the provisions of the Company's MOI.

The boards of the Company's major subsidiaries are similarly constituted with the necessary mix of skills, experience and diversity. There is also an appropriate mix between executive and non-executive appointments.

The board is evaluated on an annual basis by the remuneration committee, on both an individual and a collective basis. In turn, the board evaluates the performance and effectiveness of board subcommittees.

There were a number of changes to the directorate during the year under review in anticipation of the unbundling and separate listing of the Company by its previous holding company, HCI. These changes were:

Directors appointed on 31 August 2014:

DR Herrman
SF McClain
MA Jacobson
A van der Veen
NB Jappie
BS Raynor

Mr MH Ahmed resigned on 1 May 2014 and was reappointed on 31 August 2014.

Directors that resigned on 1 May 2014:

MJA Golding
Y Shaik
JG Ncgobo
VE Mphande

Mr TG Govender resigned on 31 August 2014.

To uphold their independence and integrity, directors disclose all material interests as and when they arise. A list of directors' interest is tabled annually.

The directors are entitled to seek independent professional advice at the Company's expense concerning the Company's affairs and have access to any information they may require in discharging their duties as directors. In terms of the Company's MOI, one-third of directors must retire at every annual general meeting and are eligible for re-election. The directors who retire shall be those who have been longest in office since their last election. Any director who has held office for three years since the last election shall also retire at the conclusion of the annual general meeting. A retiring director shall be eligible for re-election and, if re-elected, shall be deemed not to have vacated office. Any casual vacancy occurring on the board may be filled by the board, but the individual so appointed shall cease to hold office at the termination of the first shareholders' meeting to be held after the appointment of such individual as a director unless he/she is elected at such shareholders' meeting. As a result, the directors retiring at the forthcoming annual general meeting and who offer themselves for re-election, are Messrs JA Copelyn, DR Herrman, SF McClain, MH Ahmed, Ms NB Jappie, Messrs MA Jacobson, A van der Veen and BS Raynor. The name and brief curriculum vitae of each director appear on pages 6 and 7 of this report.

In terms of the Company's MOI, there is no mandatory retirement age for non-executive directors. No director has a fixed term of appointment with the Company.

Meetings of the board

Due to the proximity of the Company's date of listing on the JSE to the reporting date, the board met once during the year under review, on 25 February 2015. The meeting was attended by all board members. The board has met once subsequent to the reporting date.

The directors are comprehensively briefed in advance of the meetings and are provided with all necessary information to enable them to discharge their responsibilities.

BOARD COMMITTEES

Three board committees and an executive committee have been established to assist the board in discharging its responsibilities. In line with King III, all board committees comprise only members of the board but appropriate personnel may be invited to the meetings as required. All committees are empowered to obtain such external or other independent professional advice as they consider necessary to carry out their duties. These committees play an important role in enhancing good corporate governance and improving internal controls and, consequently, the Company's performance. Each board committee must act according to written terms of reference, approved by the board and reviewed annually, setting out its purpose, membership requirements, and duties and reporting procedures.

Audit and risk committee

Members: MH Ahmed (chairman), NB Jappie and BS Raynor.

The audit and risk committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control. The committee also assists the board in discharging its responsibilities by considering reports and information generated by the subsidiary companies' audit or finance committees to their respective boards.

The committee's objectives are to assist the board in fulfilling its fiduciary duties with regard to:

- reviewing the interim, provisional and year-end financial statements, culminating in a recommendation to the board to adopt them;
- reviewing legal matters that could have a significant impact on the Group's financial statements;
- reviewing the external audit reports on the annual financial statements;
- verifying the independence of the external auditor, namely Grant Thornton Johannesburg Partnership;
- approving the audit fees and engagement terms of the external auditor;
- oversight of the integrated annual reporting as well as the evaluation of the significant judgements and reporting decisions affecting the integrated annual report;
- reviewing the expertise, resources and experience of the Company's finance function; and
- determining the nature and extent of allowable non-audit services and approving the contract terms for the provision of non-audit services by the external auditor.

All the members of the committee are independent non-executive directors. All members act independently as described in section 94 of the Companies Act.

A report by the audit and risk committee has been provided on page 22 of this report.

Remuneration committee

Members: MH Ahmed (chairman), JA Copelyn and NB Jappie.

This committee is primarily responsible for overseeing the remuneration and incentives of the executive directors. It takes cognisance of best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the Company. The committee may utilise the services of independent remuneration consultants to assist in providing guidance on the remuneration for executive management.

Functions and mandates of the remuneration committee include:

- making recommendations to the board regarding directors' fees and the remuneration and service conditions of executive directors, including the chief executive officer;
- providing a channel of communication between the board and management on remuneration matters;
- reviewing the Group's remuneration policies and practices and proposals to change these and to make recommendations in this regard to the board;
- reviewing and approving the terms and conditions of executive directors' employment contracts, taking into account information from comparable companies;
- determining and approving any grants to executive directors and other senior employees; and
- reviewing and approving any disclosures in the annual report or elsewhere on remuneration policies or directors' remuneration.

All the members of the committee are non-executive directors. In line with the recommendations of King III the chief executive officer attends the meetings of the committee at the request of the committee, but recuses himself from the meeting before any decisions are made in which he is affected.

A report by the remuneration committee has been provided on page 24 of this report.

Social and ethics committee

Members: JA Copelyn (chairman), DR Herrman and NB Jappie.

The committee's functions are in line with the requirements of the Companies Act. A report by the social and ethics committee has been provided on page 26 of this report.

Executive committee

The committee's primary objectives are to assist the board in the daily management of the Group, including the allocation and investing of the Group's resources.

The executive committee comprises Messrs DR Herrman (director), SF McClain (director) and M Ryan.

CHIEF FINANCIAL OFFICER

Mr SF McClain, an executive director, is the chief financial officer of the Group. The audit and risk committee has considered his expertise and experience and deems it appropriate. The committee is also satisfied that the expertise, resources and experience of the finance function are adequate.

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited, a juristic person, is the appointed company secretary of the Group and appointed by the board in terms of the Companies Act and in accordance with JSE Listings Requirements. The board has assessed the directors and the designated staff of the company fulfilling the role of the company secretariat and is satisfied that they have the competence, qualifications and experience to effectively fulfil the role of company secretary. The company secretary provides support and guidance to the board in matters relating to governance, ethical conduct and fiduciary duties. Where required, the secretary facilitates induction and training for directors and co-ordinates the annual board evaluation process. Directors have unrestricted access to the advice and services of the company secretary whilst maintaining an arm's length relationship between the board and the company secretary.

DEALING IN THE COMPANY'S SECURITIES

Montauk complies with the continuing obligations of the Listings Requirements of the JSE. A Group-wide share trading policy is in place whereby all directors and employees who have access to financial results and other price-sensitive information are prohibited from dealing in Montauk shares during certain prescribed restricted periods as defined by the JSE or when the Company is operating under a cautionary announcement. The company secretary disseminates written notices to inform these employees of the insider trading legislation and advise of closed periods. All directors and senior executives are required to obtain written clearance prior to the dealing in shares of the Company and to report all share dealings to the company secretary to ensure that all such dealings are disclosed in terms of the applicable JSE Listings Requirements.

CONFLICTS OF INTEREST

The directors are required to avoid situations where they have direct or indirect interests that conflict or may conflict with the Group's interests. Procedures are in place for disclosure by directors of any potential conflicts and for appropriate authorisation to be sought if conflict arises.

COMPLIANCE WITH LAWS, CODES AND STANDARDS

Montauk respects and complies with the laws of the countries in which it operates. This includes corporate laws, common law as well as specific laws. The Group operates in a highly regulated environment and, where necessary, compliance officers have been appointed to ensure adherence to the various Acts and Codes that govern the day-to-day operations.

DISCLOSURES

To ensure shareholder parity Montauk ensures that accurate and timely disclosure of information that may have a material effect on the value of its securities or influence investment decisions is made to all shareholders. The Company publishes details of its corporate actions and performance via the Securities Exchange News Service ("SENS") and in the main South African daily newspapers. The Company maintains a website through which access is available to the broader community on the Company's latest financial, operational and historical information, including its integrated annual report.

LITIGATION

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Montauk are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of Montauk.

GOVERNANCE OF INFORMATION TECHNOLOGY

Due to the inherent risks in information technology ("IT"), King III has recommended that the board of directors be responsible for the assessment, implementation and monitoring of IT within the Company. IT governance is the responsibility of the board of directors, forms an integral part of the Group's risk management and is assisted by the audit and risk committee in carrying out its IT responsibilities. The board of directors of Montauk acknowledges the need for an IT policy which, if effectively managed, can streamline and add value to the underlying businesses. The board is assisted by management in the implementation of an IT policy. A governance framework for implementation at subsidiary level will be considered for approval by the board in due course. At a holding Company level, Montauk does not believe it is necessary to employ a chief information officer, as recommended by King III. The audit and risk committee is responsible for the monitoring of IT compliance within the Group.

APPLICATION OF KING III PRINCIPLES

Montauk believes that, in all material respects, it complies with the major recommendations of the code to ensure that sound corporate governance and structures are applied within the Group. Alternatives to the King III recommendations can be applied to further the best interests of the Company, as long as the overarching principles of good corporate governance are achieved. More detailed explanations have been accorded below to those principles which have not materially complied with recommendations by King III. The board monitors compliance to ensure ongoing improvement of operational and corporate practices and that the affairs of the Group are conducted with transparency and integrity.

The JSE Listings Requirements require all JSE-listed companies to provide a narrative of how it has applied the recommendations contained in King III. The following is an overview of the principles of King III and how they apply to Montauk:

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
1. Ethical leadership and corporate citizenship			
1.1	The board should provide effective leadership based on an ethical foundation.	C	Applied. The board is committed to promoting the highest standard of ethical behaviour. A formal board charter, as recommended by the Code of Corporate Practices and Conduct, has been adopted. The charter includes a code of ethics to which all directors subscribe.
1.2	The board should ensure that the Company is and is seen to be a responsible corporate citizen.	C	Applied. The board is the guardian of the values and ethics of the Company and its investees and should ensure that the Company is and is seen to be a responsible corporate citizen.
1.3	The board should ensure that the Company's ethics are managed effectively.	C	Applied. Ethical principles are applied by the board during decision-making.
2. Board and directors			
2.1	The board should act as the focal point for and custodian of corporate governance.	C	Applied. The board serves as the custodian of good governance and always ensures that its endeavours are directed at achieving sustainable value for the Company in a transparent and responsible manner.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable.	C	Applied. Strategy, risk, performance and sustainability are considered collectively by the board in the decision-making process and the monitoring of the Group's performance. In terms of its formal charter the board's responsibilities include the appointment of the executive officers, approval of corporate strategy, risk management and corporate governance.
2.3	The board should provide effective leadership based on an ethical foundation.	C	Applied. Ethics form part of the values of the Company and the board.
2.4	The board should ensure that the Company is and is seen to be a responsible corporate citizen.	C	Applied. The board ensures that the Company is a responsible corporate citizen.
2.5	The board should ensure that the Company's ethics are managed effectively.	C	Applied. Ethics are the responsibility of the board as a whole.
2.6	The board should ensure that the Company has an effective and independent audit committee.	C	Applied. The audit and risk committee consists of three independent non-executive directors. The audit and risk committee members all have the necessary experience and skills to serve on an audit committee.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
2.7	The board should be responsible for the governance of risk.	C	Applied. The board's responsibilities include the appointment of the executive officers, approval of corporate strategy, risk management and corporate governance.
2.8	The board should be responsible for information technology ("IT") governance.	C	Applied. The board as a whole is responsible for IT governance.
2.9	The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	C	The board has a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its businesses, which enables the board to ensure that the Company complies with all applicable laws, codes and standards.
2.10	The board should ensure that there is an effective risk-based internal audit.	X	Not applied. As a result of the fact that Montauk was a subsidiary of HCI and it did not have to perform its own internal audit, it does not have an established internal audit function. The board and audit committee are assessing the need for establishing such a function.
2.11	The board should appreciate that stakeholders' perceptions affect the Company's reputation.	C	Applied. The board monitors stakeholders' perceptions, in light of the importance of the Company's reputation.
2.12	The board should ensure the integrity of the Company's integrated report.	C	Applied. The Company has issued an integrated annual report.
2.13	The board should report on the effectiveness of the Company's system of internal controls.	C	Applied. The board acknowledges that it is accountable for the process of risk management and the system of internal control of Montauk.
2.14	The board and its directors should act in the best interests of the Company.	C	Applied. The board acts in the best interests of the Company.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act.	C	Applied. This will be considered, if applicable.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the Company should not also fulfil the role of chairman of the board.	X	Not applied. The Company has appointed a separate chairman and this role is not fulfilled by the CEO. The board has appointed a lead independent director as the chairman is not independent.
2.17	The board should appoint the chief executive officer and establish a framework for the delegation of authority.	C	Applied. The board has appointed a CEO and a framework for the delegation of authority has been established.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	C	The board comprises eight members of whom six are non-executive directors. The composition of the board ensures a balance of authority precluding any one director from exercising unfettered powers of decision-making. The directors are individuals of a high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process. The board each year evaluates its composition to ensure an appropriate mix of skills and experience.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
2.19	Directors should be appointed through a formal process.	C	Applied. New directors are subject to a “fit and proper” test. An informal orientation programme is available to incoming directors. No director has an automatic right to a position on the board. All directors are required to be elected by shareholders at an annual general meeting. The Company, in general meeting, may appoint any person to be a director, subject to the provisions of the MOI.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	C	Applied. New directors are subject to a “fit and proper” test. An informal orientation programme is available to incoming directors.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary.	C	Applied. The board has considered and satisfied itself of the competence, qualifications and experience of the company secretary. The specific steps the directors took included evaluating the experience of the company secretary, including the relevant experience exhibited by the executives and employees of the company secretary.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year.	U	As a result of the fact that Montauk was a subsidiary of HCI until recently, the board and its committees have only recently been appointed and constituted and at the reporting date no evaluation of the board, directors or committees have been performed yet. The board, its committees and individual directors will be evaluated annually.
2.23	The board should delegate certain functions to well-structured committees without abdicating its own responsibilities.	C	Applied. Committees make recommendations which are approved at board level.
2.24	A governance framework should be agreed between the Group and its subsidiary boards.	U	As a result of the fact that Montauk was a subsidiary of HCI until recently, the board and its committees have only recently been appointed and constituted and at the reporting date no governance framework has been agreed yet. The board will, however, endeavour to agree a governance framework for the Company and its subsidiaries within the next financial year.
2.25	Companies should remunerate directors and executives fairly and responsibly.	C	Applied. The remuneration committee takes cognisance of best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the Company.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	C	The directors’ fees and remuneration is disclosed in the integrated annual report.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
2.27	Shareholders should approve the Company's remuneration policy.	P	Remuneration paid to non-executive directors of the Company is subject to approval by shareholders at the annual general meeting of the Company. The future remuneration of executive management will be determined in accordance with Group remuneration policies as determined by the remuneration committee from time to time.
3. Audit committee			
3.1	The board should ensure that the Company has an effective and independent audit committee.	C	Applied. The audit and risk committee consists of three independent directors.
3.2	Audit committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exemption).	C	Applied. The audit and risk committee members have extensive business experience and specialist skills across a range of sectors. This enables them to provide balanced and independent advice and judgement in the decision-making process. All members are independent non-executives.
3.3	The audit committee should be chaired by an independent non-executive director.	C	Applied. The audit and risk committee is chaired by an independent non-executive director.
3.4	The audit committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information).	C	Applied. The audit committee oversees same as set out in the objectives of the audit and risk committee.
3.5	The audit committee should be responsible for evaluating the significant judgements and reporting decisions affecting the integrated report.	C	Applied. The audit and risk committee is responsible for evaluating the significant judgements and reporting decisions affecting the integrated annual report.
3.6	The audit committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents.	C	Applied. The audit and risk committee reviews annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents released by the Company.
3.7	The audit committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.	C	Applied. The audit and risk committee of the Company has been mandated to ensure that a combined assurance model is applied.
3.8	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	C	Applied. The audit and risk committee has satisfied itself in this regard.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
3.9	The audit committee should be responsible for overseeing of internal audit.	C	Applied. The audit and risk committee fulfils an oversight role regarding the Group's financial statements and the reporting process, including the system of internal financial control. To the extent that an internal audit function is established, the audit committee is mandated with its oversight.
3.10	The audit committee should be an integral component of the risk management process.	C	Applied. Forms part of the role and responsibility of the audit and risk committee.
3.11	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	C	Applied. Forms part of the role of the audit and risk committee.
3.12	The audit committee should report to the board and shareholders on how it has discharged its duties.	C	Applied. The audit and risk committee reports annually on the discharge of their duties to the board.
4. The governance of risk			
4.1	The board should be responsible for the governance of risk.	C	Applied. The board acknowledges that it is accountable for the process of risk management.
4.2	The board should determine the levels of risk tolerance.	C	Applied. Risk levels are discussed at board level.
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities.	C	Applied. The audit and risk committee will assist the board in carrying out its risk responsibility.
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan.	C	Applied. Where necessary, compliance officers have been appointed at the Group's subsidiaries to ensure adherence to the various Acts and Codes that govern the day-to-day operations.
4.5	The board should ensure that risk assessments are performed on a continual basis.	C	Applied. The board performs risk assessment on a continual basis.
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	C	Applied. All risk factors within the current business model are continually monitored.
4.7	The board should ensure that management considers and implements appropriate risk responses.	C	Applied. Responses are monitored and preventative measures implemented to the extent possible.
4.8	The board should ensure continual risk monitoring by management.	C	Applied. Risk monitoring forms part of planning and decision-making by management.
4.9	The board should receive assurance regarding the effectiveness of the risk management process.	C	Applied. This occurs at board level.
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	C	Applied. Through the financial, governance and sustainability information published in the integrated annual report the board endeavours to accurately, completely and timely disclose the risks relevant to the Group and its stakeholders.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
5. The governance of information technology			
5.1	The board should be responsible for information technology ("IT") governance.	C	Applied. The board is responsible for IT governance.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	C	Applied. Objectives are aligned.
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework.	C	Applied. The board is assisted by management in the implementation of an IT policy. A governance framework will be considered for approval by the board in future.
5.4	The board should monitor and evaluate significant IT investments and expenditure.	C	Applied. The board receives the budget and progress reports for all material IT-related investments.
5.5	IT should form an integral part of the Company's risk management.	C	Applied. IT is considered as part of risk management.
5.6	The board should ensure that information assets are managed effectively.	C	Applied. The board has appointed an audit and risk committee which will assist it to carry out its responsibilities.
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities.	C	Applied. The board has appointed the audit and risk committee which will assist it to carry out its IT responsibilities.
6. Compliance with laws, codes, rules and standards			
6.1	The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	C	Applied. The board considers applicable laws, codes, rules and standards, and changes thereto. Compliance with laws is embedded within the internal controls and processes of the operations of the business. Any material non-compliance is reported to the board as and when the executive directors become aware of such.
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.	C	Applied. The board and each individual director have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.
6.3	Compliance risk should form an integral part of the Company's risk management process.	C	Applied. Compliance forms part of the process.
6.4	The board should delegate to management the implementation of an effective compliance framework and processes.	C	Applied. Where necessary, compliance officers have been appointed at the Group's subsidiaries to ensure adherence to the various Acts and Codes that govern the day-to-day operation.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
7. Internal audit			
7.1	The board should ensure that there is an effective risk-based internal audit.	X	Montauk has no internal audit function although the board and audit committee are assessing the need for establishing such a function.
7.2	Internal audit should follow a risk-based approach to its plan.	X	Montauk has no internal audit function although the board and audit committee are assessing the need for establishing such a function.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	X	Montauk has no internal audit function although the board and audit committee are assessing the need for establishing such a function.
7.4	The audit committee should be responsible for overseeing internal audit.	X	Montauk has no internal audit function although the board and audit committee are assessing the need for establishing such a function.
7.5	Internal audit should be strategically positioned to achieve its objectives.	X	Montauk has no internal audit function although the board and audit committee are assessing the need for establishing such a function.
8. Governing stakeholder relationships			
8.1	The board should appreciate that stakeholders' perceptions affect a Company's reputation.	C	Applied. The board monitors stakeholders' perceptions in light of the importance of the Company's reputation.
8.2	The board should delegate to management to proactively deal with stakeholder relationships.	C	Applied. Stakeholder relationships are critical for the Company and the executive team manages these proactively.
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	C	Applied. All stakeholders are considered during decision-making.
8.4	Companies should ensure the equitable treatment of shareholders.	C	Applied. Equitable treatment of shareholders is important and considered during decision-making.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	C	Applied. Communication with stakeholders is the responsibility of the board.
8.6	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	C	Applied. The board remains informed of any disputes and strive to ensure that they are resolved efficiently.

PRINCIPLE		LEVEL OF COMPLIANCE	RESPONSE
9. Integrated reporting and disclosure			
9.1	The board should ensure the integrity of the Company's integrated report.	C	Applied. The board ensures due care in the compilation of the report.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	C	Applied. Information relating to sustainability matters is included in the integrated annual report.
9.3	Sustainability reporting and disclosure should be independently assured.	U	Although some of the information provided in relation to sustainability matters has not been independently assured, the board has taken care to use reliable sources for this information. The Company will evaluate the need for independent assurance on sustainability reporting in the future.

C = Compliant; P = Partially compliant; U = Under review; X = Not compliant.

Notes:

1. The chairman of the board is not an independent non-executive director because of his position as CEO of HCI, the Company's previous holding company. A lead independent director has been appointed.
2. Due to the size of the Group's operations and centralised finance and administration functions Montauk has no internal audit function although the board and audit and risk committee are assessing the need to establish such a function.

REPORT OF THE AUDIT AND RISK COMMITTEE

Members: MH Ahmed (chairman), NB Jappie and BS Raynor.

The Montauk audit and risk committee is a formal committee of the board, appointed by the shareholders, and functions within its documented terms of reference. All members of the audit and risk committee act independently. The chief executive officer and the chief financial officer attend the meetings as permanent invitees, along with external audit. Other directors and members of management attend as required.

The audit and risk committee has pleasure in submitting this report in respect of the past financial year of the Group, as required by section 94 of the Companies Act, 71 of 2008, as amended (“the Act”).

Due to the proximity of the Company’s date of listing on the JSE to the reporting date, the committee met once during the year under review, on 18 December 2014. The meeting was attended by all committee members. The committee has met twice subsequent to the reporting date. Mr Ahmed (chairman), Ms Jappie and Mr Raynor were appointed to the committee upon the Company’s listing on the JSE on 8 December 2014.

FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

In terms of the Companies Act of 2008, as amended, the audit and risk committee has adopted, subsequent to the reporting date, the formal terms of reference, delegated to it by the board of directors, as its audit and risk committee charter. The audit and risk committee fulfils an independent oversight role regarding the Group’s financial statements and the reporting process, including the system of internal financial control, with accountability to both the board and to shareholders. The committee’s responsibilities include the statutory duties prescribed by the Companies Act, recommendations by King III and additional responsibilities assigned by the board. The committee is satisfied that, in respect of the financial period under review, it has performed all the functions required by law to be performed by an audit and risk committee, including as set out by section 94 of the Companies Act of 2008 and in terms of the committee’s terms of reference and as more fully set out in the corporate governance report. In this connection the committee has:

- reviewed the interim, provisional and year-end financial statements, culminating in a recommendation to the board to adopt them;
- reviewed legal matters that could have a significant impact on the Group’s financial statements;
- reviewed the external audit reports on the annual financial statements;
- verified the independence of the external auditor as per section 92 of the Companies Act of 2008 and accordingly nominates Grant Thornton Johannesburg Partnership to continue in office as the independent auditor and noted the appointment of Mr Theunis Schoeman as the designated auditor for the financial year ended 31 March 2016;
- approved the audit fees and engagement terms of the external auditor; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditor.

CONFIDENTIAL MEETINGS

Audit and risk committee agendas provide for confidential meetings between the committee members and the external auditor, which are regularly held.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by JSE Listing Requirement 3.84(h), the committee has reviewed the performance of the chief financial officer, Mr SF McClain, and was satisfied that he has the necessary expertise and experience to fulfil this role and has performed appropriately during the year under review.

INTERNAL AUDIT

The Group does not currently have an internal audit function. Though currently not in place, the board and committee continuously assess the need for an internal audit function.

RISK MANAGEMENT AND INTERNAL CONTROL

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group. The Group operates in a highly regulated environment. Where necessary, compliance officers have been appointed at each of the Group’s key operating subsidiaries and associated Company levels for ensuring adherence to the various Acts and Codes that govern the day-to-day operations.

The committee is accountable to the board for monitoring the implementation of processes of risk management and integration of these processes into day-to-day activities. However, the committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

Internal control structures have been implemented to ensure that significant business and financial risk is identified and appropriately managed. The audit and risk committee assists the board in discharging its responsibilities. It also considers reports and information generated by the subsidiary companies' management.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee has evaluated the integrated annual report of Montauk Holdings Limited and the Group for the period ended 31 March 2015 and, based on the information provided to the committee, the committee recommends the adoption of the integrated annual report by the board.

MH Ahmed
Chairman: Audit and Risk Committee

18 September 2015

REPORT OF THE REMUNERATION COMMITTEE

Members: MH Ahmed (chairman), JA Copelyn and NB Jappie.

All the members of the committee are non-executive directors and two are independent. In line with the recommendations of King III, the chief executive officer attends the meetings of the committee at the request of the committee, but recuses himself from the meeting before any decisions are made.

Due to the proximity of the Company's date of listing on the JSE to the reporting date, the committee did not meet during the year under review. It has met once subsequent to the reporting date. Mr Ahmed (chairman), Mr Copelyn and Ms Jappie were appointed to the committee upon the Company's listing on the JSE on 8 December 2014.

This committee is primarily responsible for overseeing the remuneration and incentives of the executive directors and executive management. It takes cognisance of best remuneration practices in order to ensure that such total remuneration is fair and reasonable to both the employee and the Company. Where required, the committee may utilise the services of independent remuneration consultants to assist in providing guidance on the remuneration for executive management. The Group's remuneration philosophy strives to reward employees in a fair and responsible way which ensures a culture of high performance to deliver returns to shareholders through employees who are motivated, engaged and committed. This philosophy's intended consequence is to attract, retain and develop employees with scarce and critical skills who contribute to sustained business growth and are aligned to the strategic and operational requirements of the business.

The functions and mandates of the remuneration committee include:

- making recommendations to the board on directors' fees and the remuneration and service conditions of executive directors, including the chief executive officer;
- providing a channel of communication between the board and management on remuneration matters;
- reviewing the Group's remuneration policies and practices and proposals to change these and to make recommendations in this regard to the board;
- reviewing and approving the terms and conditions of executive directors' employment contracts, taking into account information from comparable companies; and
- reviewing and approving any disclosures in the integrated annual report or elsewhere on remuneration policies or directors' remuneration.

Executive directors and management earn a basic salary which escalates in line with inflation. These may be adjusted from time to time in accordance with each individual's experience and performance. Executive directors' and management's bonuses are based on a targeted bonus percentage of each individual's annual salary. The final bonus amounts are based on formulas which utilise a combination of individual and Company performance-related goals established by the Company and may be below or above the target amount.

Executive management of the Company currently participates in a cash based Long Term Executive Incentive Plan (LTEIP) tied to the upside of the business. The LTEIP is expected to be replaced by a share based scheme going forward.

Non-executive directors earn a basic fee which is in line with companies of a similar size. These fees are determined in South African Rand and escalate annually in line with inflation and will be reviewed every three years by an independent remuneration consultant. Directors can earn up to a maximum of R36 000 by serving on the committees responsible to the board of directors. Non-executive directors do not receive short-term incentives and do not participate in any long-term incentive schemes.

Position	Actual fee 2015 R'000	Proposed fee 2016 R'000
Non-executive director	**90**	95
Member of audit and risk committee	**36**	38
Member of remuneration committee	**36**	38
Member of social and ethics committee	**36**	38

Directors' emoluments and other relevant remuneration information are disclosed in note 28 of the annual financial statements on page 70. Principle 2.26 of King III recommends that the remuneration of each individual director and the three most highly paid employees who are not directors in the Company be disclosed. The remuneration report discloses the remuneration of the three most highly paid employees, however, the names of the employees have not been disclosed as the board is of the opinion that such information is private to the individuals concerned and adds no value to stakeholders. Details of personnel remuneration of the three highest paid members of management that are not directors, for the year ended 31 March 2015 is reflected below:

	Salary $'000	Other benefits $'000	Bonus $'000	Total $'000
Employee A	213	26	40	279
Employee B	190	24	35	249
Employee C	180	24	33	237

The Group does not currently operate a share-based remuneration scheme.

MH Ahmed
Chairman: Remuneration Committee

18 September 2015

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

Members: JA Copelyn (chairman), DR Herrman and NB Jappie.

The social and ethics committee has pleasure in submitting this report, as required by section 72(4) to section 72(10) of the Companies Act, 2008, as amended ("the Act") and regulation 43 to the Act.

Due to the proximity of the Company's date of listing on the JSE to the reporting date, the committee did not meet during the year under review. It has met once subsequent to the reporting date and has considered its responsibilities in terms of the Companies Act, 2008, as amended and King III. Mr Copelyn (chairman), Mr Herrman and Ms Jappie were appointed to the committee upon the Company's listing on the JSE on 8 December 2014.

The function of the social and ethics committee is to ensure that the committee fulfils its responsibilities in line with the Companies Act, 2008, as amended and King III. Relevant personnel, who are considered as drivers of the underlying functions of the committee, may be invited to join the committee's meetings. In line with the Act the invitees do not have voting powers. The committee also considers reports and information generated by the subsidiary companies to their respective boards. The committee reports back to the board of Montauk and all decisions taken are decided by the board of directors.

The social and ethics committee has discharged the monitoring functions in terms of regulation 43.5 of the Act.

In the discharge of its duties, the social and ethics committee takes into consideration the fact that while the Company is a South African entity, all of the operations and employees of the Company are located in the United States.

The sustainability report on pages 27 to 28 incorporates the various aspects overseen by the committee.

JA Copelyn
Chairman: Social and Ethics Committee

18 September 2015

SUSTAINABILITY REPORT

The implementation of sustainable business practices is a continuous process for every organisation. To maintain and improve sustainability initiatives, Montauk, through the social and ethics committee, endeavours to further embed a sustainability focus into its core strategy of business.

ENVIRONMENT

Municipal solid waste ("MSW") landfills are the third-largest human-generated source of methane emissions in the United States, releasing an estimated 83.1 million metric tons of carbon dioxide equivalent into the atmosphere in 2012 alone.[1] With a global warming potential 25 times greater than carbon dioxide and a short (10-year) atmospheric life, methane is a potent greenhouse gas ("GHG") that is a key contributor to global climate change. As a result, reducing methane emissions from MSW landfills is one of the best ways to achieve a near-term beneficial impact in mitigating global climate change. Methane also contributes to background tropospheric ozone levels as an ozone precursor. Many of the technologies and practices that reduce methane emissions also reduce associated emissions of volatile organic compounds, odours and other local air pollutants.

Raw landfill gas collected for a beneficial use project is typically around 50 percent methane by volume. It is estimated that a beneficial use project will capture roughly 60 to 90 percent of the methane emitted from the landfill, depending on system design and effectiveness. The captured methane is destroyed when the gas is burned to produce electricity or refined into renewable natural gas and placed into the natural gas pipeline system.

Montauk Energy's business is exclusively focused on the capture and beneficial use of landfill methane and is responsible for significant emissions reductions arising from the flaring and/or beneficial use of the associated methane (e.g. electrical energy generation or renewable natural gas). In fiscal 2015, Montauk Energy's combined electric generation and renewable natural gas facilities provided enough energy to power over 54 000 U.S. homes while producing the following annual equivalent emission reductions utilizing the LMOP landfill gas to energy benefits calculator:

Fiscal 2015 emission reductions and environmental benefits

Total annual emission reduction equivalent (million)	
Metric tons of carbon dioxide	2.9
Tons of methane	0.1
Equivalent annual environmental benefits (million)	
Acres of US forest carbon sequestration	2.3
Gallons of gasoline carbon dioxide emission equivalents	318.0

In addition Montauk originated carbon credits for the equivalent of over 78 000 metric tons of CO_2 which were verified through the Climate Action Reserve.

The Climate Action Reserve operates the premier carbon offset registry for the North American carbon market and has developed a regulatory-quality programme to quantify GHG emission reductions from offset projects.

The very nature of the landfill gas industry demands a heightened awareness of our impact on the environments where we operate and in this regard the Company is committed to minimising its impact on the environment. The Company can safely report that it has no significant breaches of environmental standards to report for the past financial year. The protection of limited water resources, pollution and the natural aesthetics of the environment through rehabilitation programmes remain key commitments.

When a Montauk facility ceases operation, the facility site is decommissioned and remediated in accordance with the host landfill gas contract and all applicable laws.

HEALTH AND SAFETY

Montauk has developed a health and safety programme ("HASP") which serves to integrate safety into the scope of every task or project undertaken by the Company or its contractors. Our efforts are employee-centred and focused on improving working conditions and eliminating hazards. The Company engages employees to directly influence our safety culture and safety programmes through our active safety committee and through site visits and inspections. Employees have been empowered to make safety their first priority. All HASP policies are reviewed by employees and feedback from employees is incorporated into our policies and procedures. Our safety procedures on all work tasks are created by our employees in the field.

In the year under review, Montauk was involved in three reportable injuries (one of which resulted in lost productivity) and Montauk facilities internally reported eight near misses and equipment failures. Management believes strongly in the reporting of all incidents, unsafe conditions and unsafe acts as a means to implement corrective actions across our portfolio of projects. The increase in internal incident reporting over the 2014 financial year indicates a positive safety culture where employees are encouraged and expected to work safely. During the year under review Montauk experienced a Days Away, Restrictions, or Job Transfer ("DART") rate of 1.3 compared to a U.S national average of 1.7, reflecting positively on the our HASP culture.

Montauk provides extensive HASP training to our employees through face-to-face, hands-on, and interactive web-based training. Training is conducted at least monthly for every employee. Newly hired employees joining the Company are assigned a battery of introductory trainings in our programmes regardless of previous experiences or expertise.

We believe that continuous improvement of all of our programmes is necessary in order to be a leading force in our market. We frequently review our HASP and develop new safety protocols. Currently we are evolving several programmes to further protect workers in the field, including the use of personal monitoring and man-down devices equipped with global positioning system (“GPS”) beacons.

DISCRIMINATION

Fairness is promoted across all operations through a code of ethics. Legal compliance policies promote zero tolerance of discrimination within the workplace. This is enforced and established through standard grievance and disciplinary procedures in order to maintain consistency and compliance.

ECONOMIC SUSTAINABILITY

Economic sustainability is critical in attracting and retaining customers, employees and investors. Sustainability initiatives, whether environmental, social or economic, increase the value of the Company by leveraging opportunities and managing risk. Montauk respects and complies with the laws of the countries in which it operates and through the implementation of appropriate internal control structures the Group aims to ensure that significant regulatory, business and financial risk is identified and appropriately managed.

1. Source: United States Environmental Protection Agency’s Landfill Methane Outreach Program (“LMOP”).

ANNUAL FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT AUDITOR

to the shareholders of Montauk Holdings Limited

We have audited the annual financial statements of Montauk Holdings Limited which comprise the consolidated and separate statements of financial position as at 31 March 2015, the consolidated and separate income statements, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 80.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS") , and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion the financial statements present fairly, in all material respects, the consolidated and separate financial position of Montauk Holdings Limited as of 31 March 2015, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 31 March 2015 we have read the directors' report, audit committee report and the declaration by company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton

Grant Thornton Johannesburg Partnership
Registered Auditors
Chartered Accountants (SA)
Partner: T Schoeman

Johannesburg
18 September 2015

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

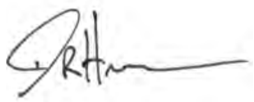
The directors of Montauk Holdings Limited are responsible for the preparation, integrity and fair presentation of the financial statements of the Company and of the Group and for other information contained in this annual report. The annual financial statements for the year ended 31 March 2015 have been prepared in accordance with International Financial Reporting Standards and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the Company and the Group. The financial statements have been audited by the independent auditing firm, Grant Thornton Johannesburg Partnership, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board.

The directors believe that all representations made to the independent auditor during the audit were valid and appropriate.

The annual financial statements for the year ended 31 March 2015 were approved by the board of directors on 18 September 2015 and are signed on its behalf by:

JA Copelyn
Chairman



DR Herrman
Chief Executive Officer

SF McClain
Chief Financial Officer

Cape Town
18 September 2015

DECLARATION BY COMPANY SECRETARY

We certify that Montauk Holdings Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2015, all such returns as are required by a public company in terms of the Companies Act of South Africa and that such returns are true, correct and up to date.

HCI Managerial Services Proprietary Limited

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
18 September 2015

DIRECTORS' REPORT
for the year ended 31 March 2015

NATURE OF BUSINESS
Montauk Holdings Limited ("Montauk") is an investment holding company, incorporated in South Africa with various operating subsidiaries domiciled in the United States of America.

OPERATIONS AND BUSINESS
The business operations of Montauk include the development and operation of large-scale renewable energy projects utilising landfill gas ("LFG") in the United States of America. The Group's expertise includes the permitting, design, construction and operation of energy facilities utilising LFG and its operations in the United States are headquartered in Pittsburgh, Pennsylvania. Certain administrative functions are performed by the Company's South African offices.

DISCONTINUED OPERATIONS AND DISPOSAL GROUP ASSETS AND LIABILITIES HELD FOR SALE
Details of discontinued operations and disposal group assets and liabilities held for sale are set out in notes 23 and 10 of the annual financial statements respectively.

DIVIDENDS
No dividends were declared or paid to the shareholders during the current year.

SHARE CAPITAL
Details of the authorised and issued share capital are set out in note 11 of the annual financial statements.

DIRECTORATE
The directors of the Company appear on page 101.

COMPANY SECRETARY
The secretary of the Company for the twelve months ended 31 March 2015 is HCI Managerial Services Proprietary Limited. The board has assessed the directors and the designated staff of the company fulfilling the role of the company secretary and is satisfied that they have the competence, qualifications and experience to effectively fulfil the role of company secretary. The secretary has an arm's length relationship with the board of directors. The name, business and postal address of the company secretary are set out on page 101 of this report.

AUDITOR
Grant Thornton Johannesburg Partnership will be recommended to the shareholders to be reappointed in accordance with section 90 of the South African Companies Act, with Mr Theunis Schoeman as the designated auditor.

SPECIAL RESOLUTIONS OF SUBSIDIARIES
The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company.

AUDITOR'S REPORT
The annual financial statements have been audited by Grant Thornton Johannesburg Partnership and their unqualified audit report on the consolidated and separate annual financial statements is included on page 30 of this report.

DIRECTORS' EMOLUMENTS

Directors' emoluments incurred by the Company and its subsidiaries for the year ended 31 March 2015 are set out in note 28 in the annual financial statements.

SUBSIDIARIES

Details of the Company's subsidiaries are set out in Annexure A to the annual financial statements.

BORROWING POWERS

There are no limits placed on borrowings in terms of the memorandum of incorporation. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are available from the registered office of the Company.

LITIGATION STATEMENT

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Montauk Holdings Limited are aware) which may have or have had, during the 12-month period preceding the last practicable date, a material effect on the financial position of the Group.

RENEWABLE IDENTIFICATION NUMBERS ("RINs")

As of 31 March 2015, the Group had approximately 10.0 million RINs generated and unsold, classified as D3 cellulosic. The RINs have a zero carrying value.

SUBSEQUENT EVENTS

Refer to note 32 in the consolidated annual financial statements for more information. The directors are not aware of any further matter or circumstance arising since the end of the financial period, not otherwise dealt with within the financial statements, that would affect the operations or results of the Company or the Group significantly.

PREPARER

These annual financial statements were prepared under the supervision of the chief financial officer, Mr SF McClain (CPA).

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2015

		Group		Company	
	Notes	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
ASSETS					
Non-current assets		**81 360**	75 403	**120 237**	201 901
Property, plant and equipment	1	**45 332**	44 654	**–**	–
Intangible assets	2	**32 427**	29 063	**–**	–
Goodwill	3	**–**	–	**–**	–
Subsidiary companies	4	**–**	–	**120 237**	201 901
Deferred taxation	5	**–**	–	**–**	–
Non-current receivables	6	**3 601**	1 686	**–**	–
Current assets		**20 044**	13 728	**1 235**	–
Inventories	7	**921**	728	**–**	–
Other financial assets	8	**46**	307	**–**	–
Trade and other receivables	9	**3 186**	3 952	**–**	–
Cash and cash equivalents	25.5	**15 891**	8 741	**1 235**	–
Disposal group assets held for sale	10	**–**	123 080	**–**	–
Total assets		**101 404**	212 211	**121 472**	201 901
EQUITY AND LIABILITIES					
Capital and reserves		**77 101**	145 522	**121 234**	167 819
Ordinary share capital	11	**166 202**	166 202	**166 202**	166 202
Common control reserve		**2 910**	(3 809)	**–**	–
Other reserves	12	**2 733**	(4 616)	**2 733**	1 617
Accumulated losses		**(94 744)**	(37 707)	**(47 701)**	–
Equity attributable to equity holders of the parent		**77 101**	120 070	**121 234**	167 819
Non-controlling interest		**–**	25 452	**–**	–
Non-current liabilities		**17 235**	6 150	**–**	–
Borrowings	13	**10 603**	–	**–**	–
Long-term provisions	14	**6 609**	6 150	**–**	–
Financial liabilities	15	**23**	–	**–**	–
Current liabilities		**7 068**	39 154	**238**	34 082
Trade and other payables	16	**4 581**	4 506	**237**	–
Financial liabilities	15	**306**	–	**–**	–
Current portion of borrowings	13	**1 200**	34 082	**–**	34 082
Taxation		**1**	–	**1**	–
Provisions	14	**980**	566	**–**	–
Disposal group liabilities held for sale	10	**–**	21 385	**–**	–
Total equity and liabilities		**101 404**	212 211	**121 472**	201 901

STATEMENTS OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Notes	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Revenue	18	**29 428**	31 956	**–**	–
Other operating expenses and income		**(26 966)**	(25 515)	**(24 623)**	–
Depreciation and amortisation		**(11 268)**	(10 882)	**–**	–
Investment income	19	**41**	4	**7 034**	–
Finance costs	20	**(301)**	(916)	**–**	–
Loss before taxation	21	**(9 066)**	(5 353)	**(17 589)**	–
Taxation	22	**(251)**	–	**(251)**	–
Loss for the year from continuing operations		**(9 317)**	(5 353)	**(17 840)**	–
Discontinued operations	23	**(11 618)**	(10 829)	**–**	–
Loss for the year		**(20 935)**	(16 182)	**(17 840)**	–
Other comprehensive (loss)/income net of tax:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation differences		**(1 044)**	(2 050)	**1 116**	1 570
Total comprehensive (loss)/income for the year		**(21 979)**	(18 232)	**(16 724)**	1 570
Loss attributable to:					
Equity holders of the parent		**(20 432)**	(12 933)		
Non-controlling interest		**(503)**	(3 249)		
		(20 935)	(16 182)		
Total comprehensive loss attributable to:					
Equity holders of the parent		**(21 382)**	(18 572)		
Non-controlling interest		**(597)**	340		
		(21 979)	(18 232)		
Loss per share (cents)	24	**(15.11)**	(9.56)		
Continuing operations		**(6.52)**	(3.96)		
Discontinued operations		**(8.59)**	(5.60)		
Diluted loss per share (cents)	24	**(15.11)**	(9.56)		
Continuing operations		**(6.52)**	(3.96)		
Discontinued operations		**(8.59)**	(5.60)		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2015

	Share capital $'000	Common control reserve $'000	Other reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total $'000
Group						
Balance at 31 March 2013	166 202	(3 809)	1 023	(24 774)	27 670	166 312
Current operations						
Total comprehensive (loss)/income	–	–	(5 639)	(12 933)	340	(18 232)
Acquisition of subsidiaries	–	–	–	–	864	864
Effects of changes in holding	–	–	–	–	(3 242)	(3 242)
Dividends	–	–	–	–	(180)	(180)
Balance at 31 March 2014	166 202	(3 809)	(4 616)	(37 707)	25 452	145 522
Current operations						
Total comprehensive loss	**–**	**–**	**(950)**	**(20 432)**	**(597)**	**(21 979)**
Disposal of subsidiaries	**–**	**6 719**	**8 299**	**(6 719)**	**(24 855)**	**(16 556)**
Effects of changes in holding	**–**	**–**	**–**	**(25)**	**–**	**(25)**
Dividends	**–**	**–**	**–**	**(29 861)**	**–**	**(29 861)**
Balance at 31 March 2015	**166 202**	**2 910**	**2 733**	**(94 744)**	**–**	**77 101**
Notes	11		12			

	Share capital $'000	Other reserves $'000	Accumulated losses $'000	Total $'000
Company				
Balance at 31 March 2013	166 202	47	–	166 249
Current operations				
Total comprehensive income	–	1 570	–	1 570
Balance at 31 March 2014	166 202	1 617	–	167 819
Current operations				
Total comprehensive income/(loss)	**–**	**1 116**	**(17 840)**	**(16 724)**
Dividends	**–**	**–**	**(29 861)**	**(29 861)**
Balance at 31 March 2015	**166 202**	**2 733**	**(47 701)**	**121 234**
Notes	11	12		

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2015

		Group		Company	
	Notes	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Cash flows from operating activities		**950**	10 717	**6 929**	–
Cash generated/(utilised) by operations	25.1	**2 970**	5 623	**(71)**	–
Investment income		**577**	1 011	**–**	–
Changes in working capital	25.2	**(1 806)**	5 474	**249**	–
Cash generated by operating activities		**1 741**	12 108	**178**	–
Finance costs		**(270)**	(1 036)	**–**	–
Taxation paid	25.3	**(521)**	(175)	**(249)**	–
Dividends paid		**–**	(180)	**7 000**	–
Cash flows from investing activities		**(47 314)**	334	**(9 974)**	–
Proceeds on disposal of subsidiaries	25.4	**73 761**	–	**66 131**	–
Investment in:					
– Subsidiary companies		**–**	(1 819)	**–**	–
– Associated companies and joint ventures held in disposal groups		**(34 081)**	–	**–**	–
– Other		**(4 704)**	(404)	**–**	–
Group loans advanced		**–**	–	**(10 800)**	–
Short-term loans advanced		**273**	(10)	**–**	–
Increase in long-term receivables		**(66 449)**	(247)	**(65 305)**	–
Proceeds on disposal of investments		**–**	10 489	**–**	–
Intangible assets					
– Additions		**(6 867)**	(4 353)	**–**	–
– Disposals		**–**	202	**–**	–
Property, plant and equipment					
– Additions		**(9 247)**	(3 524)	**–**	–
Cash flows from financing activities		**14 918**	7 290	**4 343**	–
Change in non-controlling interest		**(25)**	–	**–**	–
Long-term funding repaid		**(400)**	(24 821)	**–**	–
Long-term funding raised		**15 343**	32 111	**4 343**	–
Cash and cash equivalents					
Movements		**(31 446)**	18 341	**1 298**	–
At the beginning of the year		**48 845**	32 996	**–**	–
Foreign exchange difference		**(1 508)**	(2 492)	**(63)**	–
At the end of the year	25.5	**15 891**	48 845	**1 235**	–

ACCOUNTING POLICIES

1. ACCOUNTING POLICIES

This summary of the principal accounting policies of the Montauk Holdings Limited Group is presented to assist with the evaluation of the annual financial statements.

a) Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, the South African Companies Act, No. 71 of 2008, and the Listings Requirements of the JSE Limited. The annual financial statements are presented in US Dollars. The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation to fair value of certain financial instruments as described in the accounting policies below. The accounting policies are consistent with those applied in the previous year.

b) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive board members.

c) Basis of consolidation

The consolidated annual financial statements include the financial information of the subsidiaries, associated entities and joint ventures.

i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where the Group's interest in subsidiaries is less than 100%, the share attributable to outside shareholders is reflected in non-controlling interests. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

Control is presumed to exist when the Group owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists where the Group has the ability to direct or dominate decision-making in an entity, regardless of whether this power is actually exercised.

The Company records its investment in subsidiaries at cost less any impairment charges. These interests include any intergroup loans receivable, which represent by nature a further investment in the subsidiary.

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated annual financial statements. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

ii) Transactions and non-controlling interests

Transactions with non-controlling interests are transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests and direct costs incurred in respect of transactions with non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

iii) Associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

The carrying amount of the Group's investment in associates and joint ventures includes goodwill (net of any accumulated impairment loss) recognised on acquisition.

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition reserve movements is recognised in other comprehensive income. The cumulative post-acquisition movements are recognised against the carrying amount of the investment. When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Some of the Group's associates and joint ventures have accounting reference dates other than 31 March. These are equity accounted using management prepared information on a basis coterminous with the Group's reporting date.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' and joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

d) Foreign exchange

i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The annual financial statements are presented in US Dollars, which is the Group's presentation currency.

ii) Transactions and balances

The financial statements for each Group company have been prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date with the resulting translation differences recognised in profit or loss. Translation differences on non-monetary assets such as equity investments classified as available for sale are recognised in other comprehensive income.

iii) Foreign subsidiaries and associates – translation

One-off items in the statements of comprehensive income and statement of cash flows of foreign subsidiaries and associates expressed in currencies other than the US Dollars are translated to US Dollars at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between statements of comprehensive income translated at average and closing rates are recognised as a separate component of equity. For these purposes, net assets include loans between Group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the parent or the foreign entity. When a foreign operation is disposed of, any related exchange differences in equity are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange at reporting date.

e) Business combinations

i) Subsidiaries

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any minority interest in the acquiree either at fair value or at the minority interest's proportionate share of the acquiree's net assets.

ii) Goodwill

Goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities of the acquired entity at the date of acquisition. Where the fair value of the Group's share of identifiable net assets acquired exceeds the fair value of the consideration, the difference is recognised immediately in profit or loss.

Goodwill is stated at cost less impairment losses and is reviewed for impairment on an annual basis. Any impairment identified is recognised immediately in profit or loss and is not reversed.

Where a business combination occurs in several stages, goodwill will be recognised on the transaction that results in the Group obtaining control of the subsidiary. Goodwill, or gain on bargain purchase, will be measured as the difference between the fair value of the identifiable net assets acquired and the sum of the consideration paid, the non-controlling interest and the fair value of any previous interest held.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is in accordance with the basis on which the businesses are managed and according to the differing risk and reward profiles.

iii) Common control transactions

Acquisitions of subsidiaries which do not result in a change of control of the subsidiaries are accounted for as common control transactions. The excess of the cost of the acquisition over the Group's interest in the carrying value of the identifiable assets and liabilities of the acquired entity is carried as a non-distributable reserve in the consolidated results.

f) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

i) Depreciation

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other property, plant and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation, less the estimated residual value of each asset over its expected useful life as follows:

Freehold buildings and infrastructure	10 – 50 years
Leasehold land and buildings	Period of the lease
Other equipment and vehicles	3 – 10 years
Plant and machinery	5 – 12½ years

ii) Profit or loss on disposal

The profit or loss on the disposal of an asset is the difference between the disposal proceeds and the carrying amount of the asset.

iii) Capitalisation of borrowing costs

Direct financing costs incurred, before tax, on major capital projects during the period of development or construction that necessarily take a substantial period of time to be developed for their intended use are capitalised up to the time of completion of the project.

g) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost is usually determined as the amount paid by the Group.

Amortisation is recognised together with depreciation in profit or loss.

Intangible assets with indefinite lives are not amortised but are subject to annual reviews for impairment.

i) Emission allowances

Emission allowances consist of credits that need to be applied to nitrous oxide (N_2O) emissions from internal combustion engines. These engines emit levels of N_2O for which specific allowances are required in certain States of the United States of America. Certain assets acquired through the acquisition of a subsidiary, by Montauk Energy Holdings LLC, qualify for N_2O allowances. These have been recognised at fair value at date of acquisition, have indefinite useful lives and as, a result, are not amortised. These assets are tested annually for impairment. There is currently no indicator for impairment.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives, and only tested for impairment where there is a triggering event. The directors' assessment of the useful life of intangible assets is based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

i) Licences

Radio licences are initially recognised at cost. Analogue licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The directors understand that the revocation of a commercial radio licence has never happened in Australia and have no reason to believe that the licences have a finite life. As a result radio broadcasting licences have been assessed to have indefinite useful lives. Accordingly they are not amortised and are tested for impairment annually or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

ii) Trademarks

Trademarks are recognised initially at cost. Trademarks have definite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 years.

iii) Customer contracts

These contracts represent a source of income over the life of the contract for the purchase of processed gas. The contract is amortised over a 15-year period on a straight-line method.

iv) Distribution rights

Distribution rights represent multi-territory and multi-platform programming rights that the Group is able to sell to other broadcasters. Distribution rights are initially recognised at cost. Distribution rights are amortised over the products' economic life cycle which is determined on a pro rata basis of the individual title's total cost based on the territory and broadcast platform for which the distribution rights have been sold.

Distribution rights are amortised on a straight-line basis and are tested for impairment annually until they are brought into use.

v) Gas rights

Gas rights with finite lives are amortised over their estimated useful economic life as follows:

Units of production method of depletion over gas rights term, which is between 12 – 20 years.

vi) Interconnection

The interconnection intangible asset is the exclusive right to utilise an interconnection line between the operating plant and a utility substation to transmit produced electricity. Included in that right is full maintenance provided on this line by the utility. The interconnection is amortised over its useful life, which is between 10 – 20 years, on a straight-line method.

h) Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised at fair value plus any directly attributable transaction costs (transaction costs are not included on initial recognition for financial instruments carried at fair value through profit or loss).

Financial assets consist of cash, investments in equity instruments, contractual rights to receive cash or another financial asset, or contractual rights to exchange financial instruments with another entity on potentially favourable terms. Financial assets are derecognised when the right to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised when there is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments with another entity on potentially unfavourable terms.

Financial liabilities are derecognised when they are extinguished, that is discharged, cancelled or expired.

If a legally enforceable right exists to off-set recognised amounts of financial assets and liabilities and there is an intention to settle net, the relevant financial assets and liabilities are off-set.

Interest costs are recognised using the effective interest method. Premiums or discounts arising from the difference between the net proceeds of financial instruments purchased or issued and the amounts receivable or repayable at maturity are included in the effective interest calculation and taken to net interest payable over the life of the instrument.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets (trade and other receivables), except for maturities of greater than 12 months after the statement of financial position date which are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less allowance for impairment. A allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the receivables.

Significant financial difficulties of the debtor, a probability that the debtor will enter bankruptcy or financial reorganisation and the default or delinquency of payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

ii) Financial liabilities at amortised cost

Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are analysed between current and non-current liabilities on the face of the statement of financial position, depending on when the obligation to settle will be realised.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently stated at amortised cost using the effective interest method, and include accrued interest. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Any difference between proceeds and the redemption value is recognised in the profit or loss over the period of the borrowings.

iii) Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, bank deposits, other short-term highly liquid investments and bank overdrafts.

Bank overdrafts are included within cash and cash equivalents on the face of the statement of cash flows as they form an integral part of the Group's cash management.

iv) Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, and for unlisted securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analyses and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

v) Impairment

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. Impairment testing of trade receivables is described in note (h)(i) above.

i) Derivative financial assets and financial liabilities

Derivative financial assets and financial liabilities are financial instruments whose value changes in response to an underlying variable, require little or no initial investment and are settled in the future. Derivatives are initially and subsequently measured and recognised at fair value.

Derivative financial assets and liabilities are analysed between current and non-current assets and liabilities on the face of the statement of financial position, depending on when they are expected to mature.

j) Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average or first-in first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of the business, less selling expenses. Provision is made for slow-moving goods and obsolete materials are written off.

k) Programme rights

Programme rights are stated at the contracted costs incurred in obtaining the rights to transmit the programmes, less the cost of programmes transmitted or written off during the year.

l) Renewable identification numbers (“RINs”)

The Group generates RINs through its production and sale of high-btu gas used for transportation purposes as prescribed under the Federal Renewable Fuel Standard. The RINs that the Group generates are able to be separated and sold independent from the energy produced; therefore no cost is allocated to the RIN when it is generated.

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options are included in the share premium account. Where subsidiaries hold shares in the holding company’s equity share capital, the consideration paid to acquire these shares is deducted from total shareholders’ equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders’ equity. Shares issued to or held by share incentive plans within the Group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

n) Impairment

This policy covers all assets except inventories (see note (j)), financial assets (see note (h)), and non-current assets classified as held for sale (see note). Impairment reviews are performed by comparing the carrying value of the asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market-based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written down by any impairment amount, the loss is recognised in profit or loss in the period in which it is incurred.

Where the asset does not generate cash flows that are independent from the cash flows of other assets the Group estimates the recoverable amount of the cash-generating unit (‘‘CGU’’) to which the asset belongs.

For the purpose of conducting impairment reviews CGUs are considered to be the lowest level of groups of assets and liabilities that have separately identifiable cash flows. They also include those assets and liabilities directly involved in producing the income and a suitable proportion of those used to produce more than one income stream.

When an impairment is recognised, the impairment loss is held first against any specifically impaired assets of the CGU, then recognised against goodwill balances. Any remaining loss is set against the remaining intangible and tangible assets on a pro rata basis.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in profit or loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible.

Intangible non-current assets with an indefinite life and goodwill are tested annually for impairment. Assets subject to amortisation are reviewed for impairment if circumstances or events change to indicate that the carrying value may not be fully recoverable.

o) Non-current assets held for sale

Items classified as non-current assets held for sale are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continued use. This condition is regarded as met only when a sale is highly probable, the asset or disposal group is available for immediate sale in its present condition and management is committed to the sale which is expected to qualify for recognition as a completed sale within one year from date of classification.

p) Provisions

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in the income statement within interest costs.

Provisions are not recognised for future operating losses, however, provisions are recognised for onerous contracts where a contract is expected to be loss-making (and not merely less profitable than expected).

i) Asset retirement obligations

Long-term environmental obligations are based on the Group's environmental plans, in compliance with current regulatory requirements. Provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure, in view of the uncertainty of estimating the potential future proceeds.

Expenditure on plant and equipment for pollution control is capitalised and depreciated over the useful lives of the assets whilst the cost of ongoing current programmes to prevent and control pollution and to rehabilitate the environment is charged against income as incurred.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

i) Sale of goods

Revenue is recorded when earned for the sale of renewable natural gas and electricity, along with environmental attributes that are bundled and sold along with the energy, based on output actually delivered.

All other revenue, including environmental attributes that are not bundled and sold along with the energy, are recorded when realised or realisable and earned.

ii) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate and records the discount as interest income.

iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

r) Leases

The Group is the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

s) Income tax

The tax expense for the period comprises current, deferred tax and secondary tax on companies. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The Group's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full using the statement of financial position liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base. Deferred tax is recognised in full on temporary differences arising from investment in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised. Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is measured on a non-discounted basis.

t) Dividend distributions

Dividend distributions to equity holders of the parent are recognised as a liability in the Group's annual financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when approved by the board. Dividends declared after the reporting date are not recognised as there is no present obligation at the reporting date.

u) Employee benefits

i) Leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability to the employees for annual leave up to the financial year-end date. This liability is included in "Provisions" in the statement of financial position.

ii) Bonus plans

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. An accrual is maintained for the appropriate proportion of the expected bonuses which would become payable at year-end.

v) Earnings per share

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 02/2013 issued by SAICA.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Principles of critical accounting estimates and assumptions

i) The Group makes estimates and assumptions concerning the future

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

iii) Property, plant and equipment, excluding land

Changes in business landscape or technical innovations may impact the useful lives and estimated residual values of these assets. Similar assets are grouped together, but residual values and useful lives may vary significantly between individual assets in a category. Management reviews assets' residual values, useful lives and related depreciation charges annually at each reporting date.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

3.1 Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2015 or later periods which the Group has not early adopted:

Standard	Details of amendment	Annual periods beginning on or after
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Annual Improvements 2012 – 2014 Cycle: Amends IFRS 5 to clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice versa), the accounting guidance in paragraphs 27 – 29 of IFRS 5 does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27 – 29.	The Group will apply the IFRS 5 amendments from annual periods beginning 1 April 2016
IFRS 7: Financial Instruments Disclosures	Annual Improvements 2012 – 2014 Cycle: The amendments provide additional guidance to help entities identify the circumstances under which a servicing contract is considered to be "continuing involvement" for the purposes of applying the disclosure requirements in paragraphs 42E – 42H of IFRS 7. Such circumstances commonly arise when, for example, the servicing fee is dependent on the amount or turning of the cash flows collected from the transferred financial asset or when a fixed fee is not paid in full due to non-performance of that asset.	The Group will apply the IFRS 7 amendments from annual periods beginning 1 April 2016
IFRS 9: Financial Instruments	IFRS 9: Financial Instruments (2014): replaces IAS 39: Financial Instruments – Recognition and Measurement.	The Group will apply the IFRS 9 amendments from annual periods beginning 1 April 2018
IFRS 10: Consolidated Financial Investments	• Amendments to address an acknowledged inconsistency between the requirements in IFRS 10: Consolidated Financial Statements and those in IAS 28 (2011): Investments in Associates in dealing with the sale or contribution of a subsidiary.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016
	• Amendments confirming that the IFRS 10.4(a) consolidation exemption is also available to parent entities which are subsidiaries of investment entities where the investment entity measures its investments at fair value in terms of IFRS 10.31.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016
	• Amendments modifying IFRS 10.32 to state that the consolidation requirement only applies to subsidiaries who are not themselves investment entities and whose main purpose is to provide services which relate to the investment entity's investment activities.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016
	• Amendments providing relief to non-investment entity investors in associates or joint ventures that are investment entities by allowing the non-investment entity investor to retain, when applying the equity method, the fair value measurement applied by the investment entity associates or joint ventures to their interests in subsidiaries.	The Group will apply the IFRS 10 amendments from annual periods beginning 1 April 2016

Standard	Details of amendment	Annual periods beginning on or after
IFRS 15: Revenue from Contracts with Customers	New guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services.	The Group will apply the IFRS 15 amendments from annual periods beginning 1 April 2018
IAS 1: Presentation of Financial Statements	• Amendments clarifying IAS 1's specified line items on the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated.	The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016
	• Additional requirements of how entities should present subtotals in the statement(s) of profit or loss and other comprehensive income and the statement of financial position.	The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016
	• Clarification that entities have flexibility as to the order in which they present their notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order.	The Group will apply the IAS 1 amendments from annual periods beginning 1 April 2016
IAS 19: Employee Benefits	• Annual Improvements 2012 – 2014 Cycle: IAS 19.83 requires that the currency and term of the corporate or government bonds used to determine the discount rate for post-employment benefit obligations must be consistent with the currency and estimated term of the obligations. The amendments clarify that the assessment of the depth of the corporate bond market shall be made at the currency level rather than the country level.	The Group will apply the IAS 19 amendments from annual periods beginning 1 April 2016
IAS 27: Consolidated and Separate Financial Statements	• Amendments to introducing a third option which allows entities to account for investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements.	The Group will apply the IAS 27 amendments from annual periods beginning 1 April 2016
IAS 38: Intangible Assets	• Amendments present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets.	The Group will apply the IAS 38 amendments from annual periods beginning 1 April 2016

The directors have not yet considered the detailed impact that these changes might have on the Group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
1. PROPERTY, PLANT AND EQUIPMENT				
Cost				
Land and buildings	**5 043**	4 997		
Leasehold improvements	**–**	10		
Other equipment and vehicles	**83 024**	75 093		
Plant and machinery	**518**	370		
	88 585	80 470		
Accumulated depreciation				
Land and buildings	**(2 623)**	(2 265)		
Other equipment and vehicles	**(40 409)**	(33 406)		
Plant and machinery	**(221)**	(145)		
	(43 253)	(35 816)		
Carrying value				
Land and buildings	**2 420**	2 732		
Leasehold improvements	**–**	10		
Other equipment and vehicles	**42 615**	41 687		
Plant and machinery	**297**	225		
	45 332	44 654		
Movements in property, plant and equipment				
Balance at the beginning of the year				
Land and buildings	**2 732**	3 745		
Leasehold improvements	**10**	10		
Other equipment and vehicles	**41 687**	46 180		
Plant and machinery	**225**	104		
	44 654	50 039		
Additions				
Land and buildings	**36**	–		
Other equipment and vehicles	**7 812**	3 317		
Plant and machinery	**131**	169		
	7 979	3 486		
Business combinations				
Other equipment and vehicles	**–**	898		
Transfer to disposal group assets held for sale (refer to note 10)				
Other equipment and vehicles	**–**	(1 351)		
Disposals and transfers				
Land and buildings	**16**	(651)		
Leasehold improvements	**(10)**	–		
Other equipment and vehicles	**111**	(223)		
Plant and machinery	**17**	(14)		
	134	(888)		

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
1. PROPERTY, PLANT AND EQUIPMENT continued				
Depreciation				
Land and buildings	**(364)**	(362)		
Other equipment and vehicles	**(6 995)**	(7 086)		
Plant and machinery	**(76)**	(34)		
	(7 435)	(7 482)		
Currency translation				
Other equipment and vehicles	**–**	(48)		
Balances at the end of the year				
Land and buildings	**2 420**	2 732		
Leasehold improvements	**–**	10		
Other equipment and vehicles	**42 615**	41 687		
Plant and machinery	**297**	225		
	45 332	44 654		

A register of land and buildings is available for inspection at the registered office of the Company.

	Licences $'000	Trademarks $'000	Distribution rights $'000	Customer contracts $'000	Emission allowances $'000	Gas rights $'000	Inter-connection $'000	Total $'000
2. INTANGIBLE ASSETS								
Group 2015								
Carrying value at the beginning of the year	**–**	**–**	**–**	**7 861**	**3 055**	**17 328**	**819**	**29 063**
Additions	**–**	**–**	**–**	**17**	**–**	**659**	**6 593**	**7 269**
Amortisation	**–**	**–**	**–**	**(1 300)**	**–**	**(2 438)**	**(95)**	**(3 833)**
Refund of cost	**–**	**–**	**–**	**–**	**–**	**–**	**(57)**	**(57)**
Transfers	**–**	**–**	**–**	**–**	**–**	**(15)**	**–**	**(15)**
Carrying value at the end of the year	**–**	**–**	**–**	**6 578**	**3 055**	**15 534**	**7 260**	**32 427**
Cost	**–**	**–**	**–**	**17 258**	**3 055**	**36 135**	**7 361**	**63 809**
Accumulated amortisation	**–**	**–**	**–**	**(10 680)**	**–**	**(20 601)**	**(101)**	**(31 382)**
	–	**–**	**–**	**6 578**	**3 055**	**15 534**	**7 260**	**32 427**
Group 2014								
Carrying value at the beginning of the year	10 443	671	11 352	9 239	3 055	19 705	–	54 465
Additions	–	123	4 230	–	–	42	825	5 220
Foreign exchange differences	(1 208)	–	708	–	–	–	–	(500)
Disposals	–	–	(202)	–	–	–	–	(202)
Amortisation	–	(75)	(3 617)	(1 378)	–	(2 419)	(6)	(7 495)
Transfers to disposal group held for sale (refer to note 10)	(9 235)	(719)	(12 471)	–	–	–	–	(22 425)
Carrying value at the end of the year	–	–	–	7 861	3 055	17 328	819	29 063
Cost	–	–	–	17 241	3 055	35 493	825	56 614
Accumulated amortisation	–	–	–	(9 380)	–	(18 165)	(6)	(27 551)
	–	–	–	7 861	3 055	17 328	819	29 063

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000

2. INTANGIBLE ASSETS continued

The amortisation expense has been included in the line item depreciation and amortisation in the statement of comprehensive income.

The following useful lives were used in the calculation of amortisation:

Customer contracts	15 years
Emission allowances	*
Gas rights	12 – 20 years
Interconnection	10 – 20 years

* Emission allowances consist of credits that need to be applied to nitrous oxide ("N_2O") emissions from internal combustion engines. These engines emit levels of N_2O for which specific allowances are required in certain states of the United States of America. Certain assets acquired through the acquisition of a subsidiary, by Montauk Energy Holdings LLC, qualify for N_2O allowances. These have been recognised at fair value at date of acquisition, have indefinite useful lives and as, a result, are not amortised. These assets are tested annually for impairment. There is currently no indicator for impairment.

3. GOODWILL

	Group 2015 $'000	Group 2014 $'000
Arising on acquisition of shares in subsidiaries	**–**	–
Reconciliation of carrying value		
At the beginning of the year		10 537
– Cost	**–**	10 537
– Accumulated impairment	**–**	–
Effects of foreign exchange differences	**–**	(778)
Transfer to disposal group assets held for sale (refer to note 10)	**–**	(9 759)
	–	–

4. SUBSIDIARY COMPANIES

	Company 2015 $'000	Company 2014 $'000
Shares at cost less	**120 237**	191 857
Amounts owing by subsidiary companies	**–**	10 044
	120 237	201 901
Amounts owing to subsidiary companies	**–**	–
	120 237	201 901

These loans were interest free and had no set repayment dates.

Interests in subsidiaries
Set out below are the Group's principal subsidiaries at year-end. Unless otherwise stated the subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

	Name of entity	Principal activities	Place of business/ Country of incorporation	% of effective interest held by the Group 2015 %	2014 %	% exercisable voting rights 2015 %	2014 %	% of effective interest held by the non-controlling interests ("NCI") 2015 %	2014 %
4.	**SUBSIDIARY COMPANIES continued**								
	Johnnic Holdings USA, LLC*	Renewable energy	United States of America	**100**	100	**100**	100	**–**	–
	Oceania Capital Partners Limited	Investment holding	Australia	**–**	68	**–**	68	**–**	32
	Longkloof Limited	Media	Channel Islands	**–**	80	**–**	80	**–**	20
	Crystal Brook Distribution Proprietary Limited	Media	South Africa	**–**	80	**–**	80	**–**	20

Significant restrictions

There are no significant statutory, contractual or regulatory restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

There are no contractual arrangements in place for the provision of financial support to any of the principal subsidiaries, nor has there been any financial or other support provided to these entities during the reporting period. There is no current intention of providing financial or other support to these entities.

Non-controlling interests

As at 31 March 2015 there are no non-controlling interests that are material to the Group.

* Name changed to Montauk Holdings USA, LLC subsequent to year-end.

		Group 2015 $'000	Group 2014 $'000
5.	**DEFERRED TAX**		
	Movements in deferred taxation		
	At the beginning of the year	**–**	94
	Provisions and accruals	**317**	(532)
	Assessed losses	**2 370**	1 405
	Accelerated tax allowances	**804**	(1 549)
	Other	**–**	(4)
	Deferred tax asset not recognised	**(3 491)**	678
	Transfer to disposal group assets held for sale	**–**	(92)
	At the end of the year	**–**	–
	Analysis of deferred taxation		
	Provisions and accruals	**2 316**	1 999
	Assessed losses	**35 664**	33 294
	Accelerated tax allowances	**(4 605)**	(5 409)
	Deferred tax asset not recognised	**(35 860)**	(32 369)
	Federal tax credits	**2 485**	2 485
		–	–

The Group had unrecognised assessed loss assets of $35 664 at 31 March 2015 (2014: $32 369).

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
6. NON-CURRENT RECEIVABLES				
Prepayments	**–**	18		
Letter of credit	**2 509**	1 532		
Other receivables	**1 092**	136		
These amounts are due between one to ten years and bear interest at rates ranging from 0% to 5% per annum.				
	3 601	1 686		

Fair value of non-current receivables

The fair value of non-current receivables approximates the carrying value as market-related rates of interest are charged on these outstanding amounts. There were no impairment allowances on non-current receivable financial assets during the current or prior years.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
7. INVENTORIES				
Consumables and spares	**921**	728		
	921	728		
8. OTHER FINANCIAL ASSETS				
Available for sale investments held at fair value				
Other	**–**	203		
Fair value through profit and loss				
Energy price derivative	**46**	104		
	46	307		
Current	**46**	307		
Non-current	**–**	–		
	46	307		

Fair value of derivative financial instruments carried at fair value through profit or loss

Energy price derivative contracts of the Group are carried at their fair value on the statement of financial position and are subject to enforceable master netting agreements, which allow us to off-set recognised asset and liability fair value amounts on contracts with the same counterparty.

The net market value of all energy price derivative contracts at year-end was calculated by comparing the forward sale prices to the year-end spot prices. Changes in the market values are recognised immediately in profit or loss.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
9. TRADE AND OTHER RECEIVABLES				
Trade receivables	**1 712**	3 252		
Other receivables	**1 474**	700		
	3 186	3 952		
Fair value of trade receivables				
Trade and other receivables	**3 186**	3 952		

The carrying value approximates fair value because of the short period to maturity of these instruments.

Trade receivables neither past due nor impaired
The credit quality of trade and other receivables that are neither past due nor impaired is assessed on an ongoing basis for individual debtors and based on repayment history.

Collateral
The Group holds no collateral over the trade receivables which can be sold or re-pledged to a third party.

Trade receivables past due but not impaired
At 31 March 2015 trade receivables of $0.006 million (2014: $nil) were past due but not impaired. These relate mainly to customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
30 to 60 days	**3**	–		
60 to 90 days	**3**	–		
More than 90 days	**–**	–		

None of the financial assets that are fully performing have been renegotiated in the last year.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
US Dollar	**3 186**	3 952		
	3 186	3 952		

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable as shown above.

Certain trade and other receivables balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE				
Non-current assets classified as held for sale	**–**	123 080		
Liabilities associated with the non-current assets held for sale	**–**	(21 385)		
	–	101 695		
10.1 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in HCI Investments Australia Proprietary Limited.				
Assets and liabilities associated with HCI Investments Australia Proprietary Limited classified as held for sale				
Property, plant and equipment	**–**	439		
Goodwill	**–**	5 945		
Intangible assets	**–**	9 235		
Investments in joint ventures	**–**	30 148		
Other financial assets	**–**	517		
Deferred taxation	**–**	52		
Trade and other receivables	**–**	1 151		
Cash and cash equivalents	**–**	32 803		
Borrowings	**–**	(4 676)		
Trade and other payables	**–**	(867)		
Current portion of borrowings	**–**	(275)		
Taxation	**–**	(198)		
	–	74 274		

Refer to note 23.1 for details of operations related to the above assets and liabilities that have been classified as discontinued.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE continued				
10.2 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Longkloof Limited.				
Assets and liabilities associated with Longkloof Limited classified as held for sale				
Property, plant and equipment	–	893		
Goodwill	–	3 814		
Intangible assets	–	13 190		
Investments in associates	–	8 796		
Deferred taxation	–	32		
Inventories	–	12		
Programme rights	–	948		
Other financial assets	–	1 761		
Trade and other receivables	–	4 839		
Cash and cash equivalents	–	6 905		
Trade and other payables	–	(5 581)		
Current portion of borrowings	–	(9 137)		
Taxation	–	(71)		
	–	26 401		
Refer to note 23.2 for details of operations related to the above assets and liabilities that have been classified as discontinued.				
10.3 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Crystal Brook Distribution Proprietary Limited.				
Assets and liabilities associated with Crystal Brook Distribution Proprietary Limited classified as held for sale included in Media				
Property, plant and equipment	–	19		
Deferred taxation	–	8		
Inventories	–	216		
Trade and other receivables	–	962		
Cash and cash equivalents	–	364		
Trade and other payables	–	(519)		
Taxation	–	(19)		
	–	1 031		

Refer to note 23.3 for details of operations related to the above assets and liabilities that have been classified as discontinued.

10. DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE continued

10.4 During the year ended 31 March 2014 a decision was made by the Company's board of directors to dispose of the Group's interest in Deepkloof Limited.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Assets and liabilities associated with Deepkloof Limited classified as held for sale included in Other				
Cash and cash equivalents	**–**	32		
Trade and other payables	**–**	(43)		
	–	(11)		

11. ORDINARY SHARE CAPITAL

	Number of shares			
	2015 '000	2014 '000	**2015 $'000**	2014 $'000
Authorised				
Ordinary shares of no par value	**200 000**	200 000	**–**	–
Issued				
In issue in Company	**135 256**	135 256	**166 202**	166 202

Details of the issued share capital and share premium and changes during the current and prior year are as follows:

	Number of shares '000	**Share capital $'000**
In issue at 31 March 2014	**135 256**	**166 202**
In issue at 31 March 2015	**135 256**	**166 202**

The unissued shares are under the control of the directors until the next annual general meeting.

12. OTHER RESERVES

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
FCTR at the beginning of the year	**(4 616)**	1 023	**1 617**	47
Disposal of subsidiaries	**8 299**	–	**–**	–
Exchange differences on translation	**(950)**	(5 639)	**1 116**	1 570
At the end of the year	**2 733**	(4 616)	**2 733**	1 617

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
13. BORROWINGS				
Bank borrowings	**11 803**	–	**–**	–
Other borrowings	**–**	34 082	**–**	34 082
	11 803	34 082	**–**	34 082
Current portion of borrowings	**(1 200)**	(34 082)	**–**	(34 082)
	10 603	–	**–**	–
Secured	**11 803**	–	**–**	–
Unsecured	**–**	34 082	**–**	34 082
	11 803	34 082	**–**	34 082

Borrowings in the prior year consisted of loans payable to fellow subsidiaries of the Company, which were repaid during the current year.

Borrowings of $11.8 million in the current year consist of $11.6 million in respect of a term loan and $0.2 million in respect of a revolving credit facility from a commercial bank. The term loan facility is repayable in monthly instalments of $0.1 million.

These borrowings are secured by all assets of the Group, except for Bowerman Power, a gas to energy development project, and $1.2 million cash held by the Company.

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Fixed rates	**–**	34 082	**–**	34 082
Floating rates	**11 803**	–	**–**	–
	11 803	34 082	**–**	34 082
Maturity of these borrowings is as follows:				
Due within one year	**1 200**	34 082	**–**	34 082
Due within two – five years	**10 603**	–	**–**	–
Due after five years	**–**	–	**–**	–
	11 803	34 082	**–**	34 082
Analysis by currency				
South African Rand	**–**	34 082	**–**	34 082
United States Dollar	**11 803**	–	**–**	–
	11 803	34 082	**–**	34 082
Weighted average effective interest rates (%)	**4.66**	–	**–**	–

At 31 March 2015 the carrying value of borrowings approximates their fair value as market-related interest rates apply to these balances.

During the year the Group entered into a construction-to-term loan credit facility from a vendor financing company with capacity up to $41 million for the development of a landfill gas-to-energy project, Bowerman Power. The facility is secured exclusively by the assets of the development project. As of 31 March 2015 no advances had been received by the Group on this facility.

Certain borrowings balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
14. PROVISIONS				
Asset retirement obligations*				
Balance at the beginning of the year	**6 150**	5 784		
Raised during the year	**459**	366		
Balance at the end of the year	**6 609**	6 150		
Leave pay				
Balance at the beginning of the year	**166**	144		
Raised during the year	**404**	276		
Utilised	**(352)**	(254)		
Balance at the end of the year	**218**	166		
Staff bonuses				
Balance at the beginning of the year	**400**	339		
Raised during the year	**818**	457		
Utilised	**(456)**	(396)		
Balance at the end of the year	**762**	400		
Total provisions	**7 589**	6 716		
Non-current	**6 609**	6 150		
Current	**980**	566		
	7 589	6 716		

Asset retirement obligations*
Asset retirement obligations are based on the Group's environmental plans, in compliance with current regulatory requirements. Provision is made based on the net present value of the rehabilitation of landfill gas sites.

Leave pay
This provision is raised in respect of accumulated annual leave days accrued to employees as the Group has a present legal obligation as a result of past services provided by the employee. The timing of the settlement is uncertain given the nature of the provision.

Staff bonuses
This provision is recognised when the Group has a present legal or constructive obligation as a result of past services provided by the employee. The timing and extent of claims settled remain uncertain until settlement occurs.

* Previously named "Rehabilitation liability".

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
15. FINANCIAL LIABILITIES				
Financial liabilities carried at fair value through profit or loss				
Energy price derivatives	**329**	–		
Current portion	**306**	–		
Non-current portion	**23**	–		
	329	–		

Fair value of derivative financial instruments carried at fair value through profit or loss

Energy price derivative contracts of the Group are carried at their fair value on the statement of financial position and are subject to enforceable master netting agreements, which allow offsetting of the recognised asset and liability fair value amounts on contracts with the same counterparty.

The net market value of all energy price derivative contracts at year-end was calculated by comparing the forward sale prices to the year-end spot prices. Changes in the market values for outstanding hedges are recognised immediately in profit or loss.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
16. TRADE AND OTHER PAYABLES				
Trade payables	**1 096**	333	**–**	–
Other payables	**3 485**	4 173	**237**	–
	4 581	4 506	**237**	–

Fair value of trade and other payables
The carrying value approximates fair value because of the short period to settlement of these obligations.

Certain trade and other payables balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
17. COMMITMENTS				
Operating lease arrangements where the Group is a lessee:				
Future leasing charges:				
– Payable within one year	**198**	164		
– Payable within two to five years	**194**	160		
– Payable after five years	**63**	212		
	455	536		
Commitments for the acquisition of property, plant and equipment and intangibles				
Contracted for but not provided in the financial statements	**46 011**	520		
Authorised but not contracted for	**11 953**	3 559		
	57 964	4 079		
Within one year	**57 964**	4 079		
More than one year	**–**	–		

		Group		Company	
		2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
18.	**REVENUE**				
	Sale of goods	**29 428**	31 956	**–**	–
19.	**INVESTMENT INCOME**				
	Dividends				
	Subsidiaries	**–**	–	**7 000**	–
	Interest				
	Bank	**41**	4	**34**	–
		41	4	**7 034**	–
20.	**FINANCE COSTS**				
	Interest	**(301)**	(916)	**–**	–
21.	**(LOSS)/PROFIT BEFORE TAXATION**				
	The following items have been included in arriving at profit before taxation:				
	Auditor's remuneration				
	– Audit fees – current year	**126**	127	**–**	–
	– Other services	**1**	5	**–**	–
	Administrative fees	**1 611**	1 858	**–**	–
	Consultancy fees	**403**	333	**–**	–
	Operating lease charges				
	– Premises	**131**	186	**–**	–
	– Plant and equipment	**9**	8	**–**	–
	Loss/(profit) on disposal of property, plant and equipment	**–**	3	**–**	–
	Loss on disposal of subsidiaries	**–**	–	**24 488**	–
	Commodity price mark-to-market adjustments	**315**	(1 743)		
	Secretarial fees	**2**	15	**–**	–
	Staff costs	**4 292**	3 588	**–**	–
	Listing and related fees	**77**	–	**77**	–
	Loss on foreign currency exchange	**–**	–	**54**	–
22.	**TAXATION**				
	Current	**(251)**	–	**(251)**	–
	Deferred	**–**	–	**–**	–
		(251)	–	**(251)**	–
	Reconciliation of tax rate	**%**	%	**%**	%
	Normal tax rate	28	28	28	–
	Capital losses and non-deductible expenses	(50)	(123)	(40)	–
	Non-taxable income including share of associates' income	13	8	11	–
	Prior-year charges	–	45	–	–
	Differential tax rates – CGT and foreign	6	42	–	–
	Effective rate	(3)	–	(1)	–

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
23. DISCONTINUED OPERATIONS				
Profit for the year from discontinued operations	**699**	429		
Losses for the year from discontinued operations	**(1 470)**	(11 258)		
Loss on disposal of subsidiaries	**(10 847)**	–		
	(11 618)	(10 829)		

23.1 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in HCI Investments Australia Proprietary Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 17 October 2014.

Loss from discontinued operations relating to HCI Investments Australia Proprietary Limited	**2015 $'000**	2014 $'000
Revenue	**3 744**	6 711
Operating and other costs	**(4 136)**	(7 703)
Share of (loss)/profit of joint venture	**688**	(5 625)
Fair value adjustments of investments	**(65)**	923
Impairment of investment	**153**	–
Net finance costs	**357**	583
Profit before taxation	**741**	(5 111)
Taxation	**(195)**	316
	546	(4 795)

Cash flows from discontinued operations	**2015 $'000**	2014 $'000
Cash flows from operating activities	**(277)**	178
Cash flows from investing activities	**(4 816)**	10 057
Cash flows from financing activities	**(394)**	4 946
	(5 487)	15 181

Refer to note 10.1 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

23. DISCONTINUED OPERATIONS continued

23.2 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Longkloof Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 15 September 2014.

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Loss from discontinued operations relating to Longkloof Limited				
Revenue	**2 533**	8 847		
Operating and other costs	**(3 801)**	(12 298)		
Share of losses of associated companies	**(274)**	(815)		
Investment surplus	**–**	–		
Impairment of assets	**–**	(2 520)		
Fair value adjustments of investments	**19**	175		
Net finance income	**62**	176		
Loss before taxation	**(1 461)**	(6 435)		
Taxation	**(7)**	(18)		
	(1 468)	(6 453)		
Cash flows from discontinued operations				
Cash flows from operating activities	**(2 530)**	(684)		
Cash flows from investing activities	**(1 605)**	289		
Cash flows from financing activities	**–**	2 107		
	(4 135)	1 712		

Refer to note 10.2 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000

23. DISCONTINUED OPERATIONS continued

23.3 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Crystal Brook Distribution Proprietary Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 15 September 2014.

Loss from discontinued operations relating to Crystal Brook Distribution Proprietary Limited	**2015 $'000**	2014 $'000
Revenue	**747**	1 710
Operating costs	**(523)**	(1 120)
Net finance costs	**–**	6
Profit before tax	**224**	596
Taxation	**(71)**	(167)
	153	429

Cash flows from discontinued operations	**2015 $'000**	2014 $'000
Cash flows from operating activities	**1**	176
Cash flows from investing activities	**(1)**	(56)
Cash flows from financing activities	**–**	–
	–	120

Refer to note 10.3 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

23.4 During the year ended 31 March 2014 a decision was made by the Company's board of directors to sell the Group's interest in Deepkloof Limited.

The results of these operations have therefore been classified as discontinued operations for the Group.

The effective disposal date was 17 October 2014.

Loss from discontinued operations relating to Deepkloof Limited	**2015 $'000**	2014 $'000
Revenue	**–**	–
Operating costs	**(2)**	(10)
Loss before tax	**(2)**	(10)
Taxation	**–**	–
	(2)	(10)

Cash flows from discontinued operations	**2015 $'000**	2014 $'000
Cash flows from operating activities	**(2)**	(9)
Cash flows from investing activities	**–**	38
Cash flows from financing activities	**–**	–
	(2)	29

Refer to note 10.4 for details of assets and liabilities relating to the above discontinued operation that have been classified as held for sale.

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
24. LOSS PER SHARE				
24.1 Loss per share as presented on the statement of comprehensive income is based on the weighted average number of 135 256 156 ordinary shares in issue (2014: 135 256 156).				
24.2 Diluted loss per share is based on the weighted average number of 135 256 156 ordinary shares in issue (2014: 135 256 156).				
Used in calculation of loss per share	**135 256**	135 256		
Used in calculation of diluted loss per share	**135 256**	135 256		
24.3 Headline loss per share (cents)	**(7.09)**	(5.62)		
– Continuing operations	**(6.52)**	(3.96)		
– Discontinued operations	**(0.57)**	(1.66)		
Diluted headline loss per share (cents)	**(7.09)**	(5.62)		
– Continuing operations	**(6.52)**	(3.96)		
– Discontinued operations	**(0.57)**	(1.66)		

	2015		2014	
	Gross $'000	**Net $'000**	Gross $'000	Net $'000
Reconciliation of headline loss:				
Loss attributable to equity holders of the parent		**(20 432)**		(12 933)
IAS 16 loss/(profit) on disposal of plant and equipment	**–**	**–**	3	3
IAS 28 impairment of associates and joint ventures	**–**	**–**	2 520	2 016
IAS 27 loss from disposal/part disposal of subsidiary	**10 847**	**10 847**	–	–
Remeasurements included in equity-accounted earnings	**–**	**–**	4 911	3 325
Headline loss attributable to equity holders of the parent		**(9 585)**		(7 589)

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
25. NOTES TO THE STATEMENTS OF CASH FLOWS				
25.1 Cash generated (utilised) by operations				
Profit after taxation	**(20 935)**	(16 182)	**(17 840)**	–
Taxation	**524**	(131)	**251**	–
Depreciation and amortisation	**12 355**	14 975	**–**	–
Dividends received	**(80)**	–	**(7 000)**	–
Loss/(profit) on disposal of property, plant and equipment	**–**	3	**–**	–
Impairment of goodwill and investments		2 520	**–**	–
Equity-accounted (profits)/losses	**(414)**	6 440	**–**	–
Forex translation	**(15)**	–	**54**	–
Fair value adjustments	**(105)**	(1 098)	**–**	–
Investment income	**(536)**	(1 007)	**(34)**	–
Finance costs	**455**	1 154	**–**	–
Investment loss	**10 847**	–	**24 488**	–
Movement in provisions	**479**	466	**10**	–
Other non-cash items	**395**	(1 517)	**–**	–
	2 970	5 623	**(71)**	–
25.2 Changes in working capital				
Inventory	**(202)**	69	**–**	–
Programming rights	**–**	127	**–**	–
Trade and other receivables	**868**	8 449	**–**	–
Trade and other payables	**(2 472)**	(3 171)	**249**	–
	(1 806)	5 474	**249**	–
25.3 Taxation paid				
Unpaid at the beginning of the year	**(289)**	(131)	**–**	–
Charged to the income statement	**(478)**	(348)	**(251)**	–
Withholding tax	**(33)**	–	**–**	–
Foreign exchange difference	**24**	15	**–**	–
Unpaid at the end of the year	**255**	289	**2**	–
	(521)	(175)	**(249)**	–

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
25. NOTES TO THE STATEMENTS OF CASH FLOWS continued				
25.4 Disposal of subsidiaries				
Property, plant and equipment	**2 136**	–		
Goodwill	**9 441**	–		
Intangible assets	**21 297**	–		
Deferred tax asset	**153**	–		
Investment in associates and joint ventures	**71 428**	–		
Trade and other receivables	**8 010**	–		
Programming rights	**948**	–		
Financial assets	**6 695**	–		
Inventories	**235**	–		
Cash and cash equivalents	**36 069**	–		
Borrowings	**(13 539)**	–		
Financial liabilities	**(86)**	–		
Trade and other payables	**(4 010)**	–		
Taxation payable	**(245)**	–		
	138 532	–		
Non-controlling interest	**(24 855)**	–		
Loss on disposal	**(10 847)**	–		
Cash and cash equivalents disposed of	**(29 069)**	–		
Net cash inflow	**73 761**	–		
25.5 Cash and cash equivalents				
Bank balances and deposits	**15 891**	8 741	**1 235**	–
Cash in disposal group assets held for sale	**–**	40 104	**–**	–
	15 891	48 845	**1 235**	–

Fair value of cash and cash equivalents
The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Certain cash and cash equivalent balances were transferred to disposal group assets held for sale in the prior year. Refer to note 10.

	Group		Company	
	2015 **$'000**	2014 $'000	**2015** **$'000**	2014 $'000

26. SEGMENT INFORMATION

The following are the summarised results for the various reportable operating segments:

	Revenue	
Continuing operations		
Renewable Energy****	**29 428**	31 956
Discontinued operations		
Media and broadcasting	**7 024**	17 268
Other	**–**	–
	7 024	17 268

	Segment result (loss before tax)	
Continuing operations		
Renewable Energy****	**(9 066)**	(5 353)
Discontinued operations		
Media and broadcasting	**13 335**	(4 471)
Other	**(24 953)**	(6 358)
	(11 618)	(10 829)

	Assets		Liabilities	
Media and broadcasting	**–**	60 510	**–**	21 053
Renewable Energy****	**101 404**	89 131	**24 303**	11 206
Other	**–**	62 570	**–**	34 430
	101 404	212 211	**24 303**	66 689

	Fixed asset additions		Depreciation and amortisation	
Media and broadcasting*	**939**	325	**(1 087)**	(478)
Renewable Energy****	**7 979**	3 161	**(11 268)**	(10 882)
	8 918	3 486	**(12 355)**	(11 360)

Amounts applicable to associates and joint ventures included above:

	Equity-accounted earnings*	**Investment in associates and joint ventures**	Equity-accounted earnings*	Investment in associates and joint ventures***
	2015 **$'000**	**2015** **$'000**	2014 $'000	2014 $'000
Other	**414**	–	**(6 440)**	38 944

	Impairments*	
	2015 **$'000**	2014 $'000
Media and broadcasting	**–**	(2 520)

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
26. SEGMENT INFORMATION continued				
Group income is attributable to the following geographical areas:				
Australia*	**3 744**	6 711		
Europe and United Kingdom*	**2 223**	7 001		
South Africa*	**747**	1 710		
United States of America	**29 428**	31 956		
Other*	**310**	1 846		
	36 452	49 224		
Non-current assets** of the Group are held in the following geographical areas:				
Australia***	**–**	45 767		
South Africa***	**–**	19		
United Kingdom***	**–**	25 733		
United States of America	**77 759**	73 717		
Other***	**–**	960		
	77 759	146 196		

* Included in discontinued operations.
** Excludes financial instruments and deferred tax assets.
*** Included in disposal group assets held for sale in 2014.
**** Segment previously identified as "Natural Gas".

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
27. RELATED PARTY TRANSACTIONS				
Key management compensation was paid as follows:				
Salaries and other short-term employee benefits	**1 373**	3 966		
Trade and other payables				
HCI-Treasury Proprietary Limited	**237**	–	**237**	–
Borrowings				
HCI-Treasury Proprietary Limited	**–**	10 368	**–**	10 368
Hosken Consolidated Investments Limited	**–**	23 714	**–**	23 714

These borrowings accrued interest at nil percent and were repayable on demand.

28. DIRECTORS' EMOLUMENTS

Group Year ended 31 March 2015	Board fees $'000	Salary $'000	Other benefits $'000	Bonus $'000	Total $'000
Executive directors					
DR Herrman[1*]	–	109	16	–	125
SF McClain[1**]	–	95	15	–	110
Non-executive directors					
JA Copelyn[#***]	4	–	–	–	4
MA Jacobson[1#]	3	–	–	–	3
A van der Veen[1#]	3	–	–	–	3
MH Ahmed[2#****]	4	–	–	–	4
N Jappie[1#*****]	4	–	–	–	4
BS Raynor[1#******]	19	–	–	–	19
TG Govender[3]	–	–	–	–	–
MJA Golding[4]	–	–	–	–	–
Y Shaik[4]	–	–	–	–	–
JG Ncgobo[4]	–	–	–	–	–
VE Mphande[4]	–	–	–	–	–
Total	37	204	31	–	272

Actual fees determined in South African Rand.
1 Appointed 31 August 2014.
2 Resigned 1 May 2014; Reappointed 31 August 2014.
3 Resigned 31 August 2014.
4 Resigned 1 May 2014.
* $134 000, which is not included above, was paid as salary and bonuses by a subsidiary prior to appointment as director.
** $113 000, which is not included above, was paid as salary and bonuses by a subsidiary prior to appointment as director.
*** includes $1 040 for remuneration committee fees and social and ethics committee fees.
**** includes $1 040 for remuneration committee fees and audit committee fees.
***** includes $1 040 for remuneration committee fees and audit committee and social and ethics committee fees.
****** includes $1 040 for audit committee fees and $15 000 board fees paid by subsidiary companies.

There were no directors' emoluments paid in the year ended 31 March 2014.

29. DIRECTORS' SHAREHOLDINGS

Group 31 March 2015	Direct beneficial		Indirect beneficial		Associates	
	Number	% holding	Number	% holding	Number	% holding
Non-executive directors						
JA Copelyn	**6 705 348**	**4.9**	**–**	**–**	**–**	**–**
MA Jacobson	**3 255 689**	**2.4**	**–**	**–**	**–**	**–**
A van der Veen	**813 272**	**0.6**	**–**	**–**	**–**	**–**
BS Raynor*	**91 541**	**0.1**	**–**	**–**	**–**	**–**
Directors that resigned during the year						
TG Govender[1**]	**258 815**	**0.2**	**20 706**	**0.0**	**12 731 899**	**9.4**
MJA Golding[2***]	**8 424 770**	**6.3**	**1 646 291**	**1.2**	**–**	**–**
Total	**19 549 435**	**14.5**	**1 666 997**	**1.2**	**12 731 899**	**9.4**

1 Resigned 31 August 2014.
2 Resigned 1 May 2014.
* Acquired a further 151 037 shares on the market on various dates between 8 June and 10 July 2015.
** An associate acquired a further 2 746 453 shares in terms of the mandatory offer to shareholders that closed on 15 May 2015. Sold 12 800 shares on 22 July 2015.
*** An indirect beneficial interest of 668 236 shares was disposed of subsequent to the reporting date on 29 May 2015.

No directors held an interest in the Company's shares as at 31 March 2014.

30. BUSINESS COMBINATIONS

30.1 Subsidiary acquired subsequent to reporting date

	Principal activity	Date of acquisition	Proportion of shares acquired %
Renewable natural gas			
Leaf LFG US Investments, Inc.	Renewable natural gas	25/06/2015	100

The acquisition was facilitated through the purchase of the Company's issued share capital. This subsidiary was acquired to expand the Group's business in the renewable natural gas sector.

The acquisition was facilitated through the purchase of the entire issued share capital of Leaf LFG US Investments, Inc.

30.2 Cost of acquisition, net cash outflow on acquisition and analysis of assets and liabilities acquired

The following is an analysis of assets and liabilities acquired:

	Renewable natural gas $'000
Non-current assets	
Property, plant and equipment	11 822
Other non-current assets	1 554
Current assets	
Other current assets	142
Non-current liabilities	
Borrowings	(6 246)
Current liabilities	
Other current liabilities	(2 790)
	4 482
Non-controlling interests	–
Goodwill	–
Cash balances acquired	–
Total consideration	4 482

Due to the proximity of the acquisition date to the date of issue of this report the cost of acquisition, net cash outflow on acquisition and analysis of assets and liabilities acquired is based on provisional accounting and is subject to fair value adjustments. The final determination of fair value of property, plant and equipment, other non-current assets and current liabilities may differ from the carrying value at which it is reflected in this analysis.

31. FINANCIAL RISK MANAGEMENT

31.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including commodity risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the treasury departments of the major operating units under policies approved by their boards of directors. Their boards provide principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investing excess liquidity. Credit risk is also managed at an entity level for trade receivables.

31.1.1 Market risk

Currency risk

During the current and prior years the Group was exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. Foreign exchange risk arose from exposure in the foreign operations due to trading transactions in currencies other than the functional currency. Subsequent to the Group's disposal of its interests in the United Kingdom, South Africa and Australia in the current year, its foreign exchange risk is insignificant. The Group secures its debt denominated in US Dollar in the offshore entities with assets and cash flows of those offshore operations (where the functional currency of these entities is US Dollars). As a result no forward cover contracts are required on this debt. Foreign currency import and exports within the Group were managed using forward exchange contracts.

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
	2015	2014	**2015**	2014
Australian Dollar	**0.93**	0.93	**N/A**	0.92
South African Rand	**0.09**	0.10	**0.08**	0.09

The Australian Dollar average rate for 2015 applied only until the disposal date of the Australian operations.

A 10% strengthening of the functional currency against the following currencies at 31 March would have increased/(decreased) profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2014.

	Profit/(loss)	
	2015 $'000	2014 $'000
Australian Dollar	**(55)**	28
South African Rand	**27**	44

A 10% weakening of the functional currency against the above currencies at 31 March would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

31. FINANCIAL RISK MANAGEMENT continued

31.1 Financial risk factors continued

	2015 $'000	2014 $'000
31.1.1 Market risk		
The following carrying amounts were exposed to foreign currency exchange risk:		
Trade and other receivables		
Australian Dollar	**–**	1 150
South African Rand	**–**	961
Other financial assets		
Australian Dollar	**–**	517
Cash and cash equivalents		
Australian Dollar	**–**	32 803
South African Rand	**1 235**	364
Trade and other payables		
Australian Dollar	**–**	(867)
South African Rand	**236**	(538)
Borrowings		
Australian Dollar	**–**	(4 951)
South African Rand	**–**	(34 082)

Interest rate risk

The Group's primary interest rate risk arises from long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

At 31 March the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	2015 $'000	2014 $'000
Fixed rate instruments		
Financial assets	**15 891**	8 741
Financial liabilities	**–**	–
Variable rate instruments		
Financial assets	**–**	–
Financial liabilities	**(11 803)**	–

Fair value sensitivity analysis for fixed rate instruments

A change of 100 basis points in interest rates would have increased or decreased profit after tax by $0.1 million (2014: $nil).

Other price risk

The Group is not exposed to commodity price risk other than energy commodity prices (electricity and natural gas). In order to mitigate the risks associated with the fluctuations in energy commodity prices from time to time the Group enters various hedging arrangements to fix prices for portions of expected production volumes. A change of 1% in the gas price would have increased/decreased post-tax profits by $0.1 million (2014: $0.1 million). The analysis assumes that all other variables remain constant.

31. FINANCIAL RISK MANAGEMENT continued

31.1 Financial risk factors continued

31.1.2 Credit risk

The Group has no significant concentrations of credit risk. Overall credit risk is managed at entity level. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to the Group's customer base, including outstanding receivables and committed transactions. For banks and financial institutions, only board-approved parties are accepted. The Group has policies that limit the amount of credit exposure to any financial institution. Trade receivables comprise a large, widespread customer base and the Group performs ongoing credit evaluations of the financial condition of its customers. The utilisation of credit limits are regularly monitored. Refer note 9 for further credit risk analysis in respect of trade and other receivables. No credit limits were exceeded during the year under review, and management does not expect any losses from non-performance by these counterparties.

The table below shows the Group's maximum exposure to credit risk by class of asset:

	Carrying amount	
	2015 $'000	2014 $'000
Energy price derivatives	**46**	104
Receivables	**6 574**	5 638
Cash and cash equivalents	**15 891**	48 845
	22 511	54 587

31.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the treasury functions of the major subsidiaries aims to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's liquidity headroom on the basis of expected cash flow and the resulting borrowing position compared to available credit facilities. This process is performed during each financial year-end and monitored by the board on an ongoing basis.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than one year $'000	Between two and five years $'000	Over five years $'000
At 31 March 2015			
Bank and other borrowings	**1 200**	**10 603**	**–**
Trade and other payables	**4 581**	**–**	**–**
	5 781	**10 603**	**–**
At 31 March 2014			
Bank and other borrowings	34 082	–	–
Trade and other payables	4 506	–	–
	38 588	–	–

Defaults and breaches on loans

There were no breaches or defaults on the repayment of any loans payable during the current or prior year.

31. FINANCIAL RISK MANAGEMENT continued

31.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure. The Group defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid up capital, share premium, revenue reserves and other reserves being revaluation reserves (if any) and foreign currency translation reserves together with loans from shareholders. The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The board of directors monitors the cost of capital, which the Group defines as the weighted average cost of capital, taking into account the Group's internally calculated cost of equity (shareholder funding) and long-term cost of debt assumptions. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position. The Group's debt capacity and optimal gearing levels are determined by the cash flow profile of the Group and are measured through applicable ratios such as net debt to earnings before interest, tax, depreciation and amortisation ("EBITDA") and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

31.3 Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices available in active markets for identical assets or liabilities

Level 2 – Inputs used, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3 – Fair value determined by valuation that uses inputs that are not based on observable market data

The following items are measured at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group 2015				
ASSETS				
Financial assets at fair value through profit or loss				
Energy price derivative	**–**	**46**	**–**	**46**
Available-for-sale financial assets				
Other	**–**	**–**	**–**	**–**
Total assets	**–**	**46**	**–**	**46**
LIABILITIES				
Financial liabilities at fair value through profit or loss				
Energy price derivatives	**–**	**329**	**–**	**329**
Total liabilities	**–**	**329**	**–**	**329**
Group 2014				
ASSETS				
Financial assets at fair value through profit or loss				
Energy price derivative	–	104	–	104
Available-for-sale financial assets				
Other	–	–	203	203
Total assets	–	104	203	307
LIABILITIES				
Financial liabilities at fair value through profit or loss				
Energy price derivatives	–	–	–	–
Total liabilities	–	–	–	–

31. FINANCIAL RISK MANAGEMENT continued

31.3 Fair value estimation continued

The following table presents the changes in level 3 financial instruments for the year:

	Other $'000
Group 2015	
Assets	
Carrying value at the beginning of the year	**203**
Transfer	**(203)**
Carrying value at the end of the year	**–**
Group 2014	
Assets	
Carrying value at the beginning of the year	311
Disposals	(108)
Carrying value at the end of the year	203

32 SUBSEQUENT EVENTS

Subsequent to the reporting date the following significant events have occurred:

- In May 2015 the Group sold $9.9 million of emission reduction credits ("ERCs"). ERCs are generated by creating permanent emission reductions that exceed the amount of reductions required under State or federal law, regulation, attainment demonstrations, or other enforceable mechanisms. The Group generated ERCs through the installation and operation of new pollution control equipment at a high-btu facility, and there is no cost basis associated with ERCs.
- In June 2015, 100% of the shares in the capital of Leaf LFG US Investments, Inc. were acquired. Refer note 30.

Other than as previously detailed in this report, the directors are not aware of any event or circumstance occurring between the reporting date and the date of this report that materially affects the results of the Group or Company for the year ended 31 March 2015 or the financial position at that date.

33 FINANCIAL INSTRUMENTS

An analysis of the Group's and Company's assets and liabilities, classified by financial instrument classification, are set out below:

	Loans and receivables	
	2015 $'000	2014 $'000
Group		
ASSETS		
Non-current assets	**3 601**	1 686
Property, plant and equipment	**–**	–
Goodwill	**–**	–
Intangible assets	**–**	–
Deferred tax	**–**	–
Non-current receivables	**3 601**	1 686
Current assets	**19 077**	12 693
Inventories	**–**	–
Programme rights	**–**	–
Other financial assets	**–**	–
Trade and other receivables	**3 186**	3 952
Taxation	**–**	–
Cash and cash equivalents	**15 891**	8 741
Disposal group assets held for sale	**–**	47 228
Total assets	**22 678**	61 607
LIABILITIES		
Non-current liabilities	**–**	–
Borrowings	**–**	–
Financial liabilities	**–**	–
Long-term provisions	**–**	–
Current liabilities	**–**	–
Trade and other payables	**–**	–
Financial liabilities	**–**	–
Current portion of borrowings	**–**	–
Taxation	**–**	–
Provisions	**–**	–
Disposal group liabilities held for sale	**–**	–
Total liabilities	**–**	–
Company		
ASSETS		
Non-current assets	**120 237**	191 857
Subsidiary companies	**120 237**	191 857
Current assets	**1 235**	–
Cash and cash equivalents	**1 235**	–
Total assets	**121 472**	191 857
LIABILITIES		
Current liabilities	**–**	–
Current portion of borrowings	**–**	–
Trade and other payables	**–**	–
Taxation	**–**	–
Total liabilities	**–**	–

Financial liabilities at amortised cost		Non-financial instruments		Available for sale		Fair value through profit or loss		Total	
2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
–	–	**77 759**	73 717		–	**–**	–	**81 360**	75 403
–	–	**45 332**	44 654	**–**	–	**–**	–	**45 332**	44 654
–	–		–	**–**	–	**–**	–	**–**	–
–	–	**32 427**	29 063	**–**	–	**–**	–	**32 427**	29 063
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**3 601**	1 686
–	–	**921**	728	**–**	203	**46**	104	**20 044**	13 728
–	–	**921**	728	**–**	–	**–**	–	**921**	728
–	–	**–**	–		–	**–**	–	**–**	–
–	–	**–**	–	**–**	203	**46**	104	**46**	307
–	–	**–**	–	**–**	–	**–**	–	**3 186**	3 952
–	–	**–**	–	**–**	–	**–**	–	**–**	–
–	–	**–**	–	**–**	–	**–**	–	**15 891**	8 741
	–	**–**	73 748	**–**	–	**–**	2 104	**–**	123 080
–	–	**78 680**	148 193	**–**	203	**46**	2 208	**101 404**	212 211
10 603	–	**6 609**	6 150	**–**	–	**23**	–	**17 235**	6 150
10 603	–	**–**	–	**–**	–	**–**	–	**10 603**	–
–	–	**–**	–	**–**	–	**23**	–	**23**	–
–	–	**6 609**	6 150	**–**	–	**–**	–	**6 609**	6 150
1 200	34 082	**5 562**	5 072		–	**306**	–	**7 068**	39 154
–	–	**4 581**	4 506	**–**	–	**–**	–	**4 581**	4 506
–	–	**–**	–	**–**	–	**306**	–	**306**	–
1 200	34 082	**–**	–	**–**	–	**–**	–	**1 200**	34 082
–	–	**1**	–	**–**	–	**–**	–	**1**	–
–	–	**980**	566	**–**	–	**–**	–	**980**	566
–	4 951	**–**	16 434	**–**	–	**–**	–	**–**	21 385
11 803	39 033	**12 171**	27 656	**–**	–	**329**	–	**24 303**	66 689
–	–	**–**	10 044	**–**	–	**–**	–	**120 237**	201 901
–	–	**–**	10 044	**–**	–	**–**	–	**120 237**	201 901
–	–	**–**	–	**–**	–	**–**	–	**1 235**	–
–	–	**–**	–	**–**	–	**–**	–	**1 235**	–
–	–	**–**	10 044	**–**	–	**–**	–	**121 472**	201 901
–	34 082	**238**	–	**–**	–	**–**	–	**238**	34 082
–	34 082	**–**	–	**–**	–	**–**	–	**–**	34 082
–	–	**237**	–	**–**	–	**–**	–	**237**	–
–	–	**1**	–	**–**	–	**–**	–	**1**	–
–	34 082	**238**	–	**–**	–	**–**	–	**238**	34 082

ANNEXURE A

INTEREST IN PRINCIPLE SUBSIDIARIES

	Issued share capital $'000	Effective interest %	2015 Shares $'000	2015 Loans $'000	2014 Shares $'000	2014 Loans $'000
Shares and loans stated at cost less impairment						
Investment holding companies						
Deepkloof Limited[3]	*	100	–	–	71 202	10 043
HCI Investments Australia Proprietary Limited[2]	*	100	–	–	**	–
Oceania Capital Partners Limited[2]	224 841	68	–	–	**	–
EON Broadcasting Proprietary Limited	6 461	95	–	–	**	–
Media and broadcasting						
Crystal Brook Distribution Proprietary Limited[4]	*	80	–	–	418	–
Longkloof Limited[3]	*	80	–	–	**	–
Sunshine Coast Broadcasters Proprietary Limited[2]	346	95	–	–	**	–
Renewable Energy						
Johnnic Holdings USA LLC[1#]	179 779	100	**120 237**	–	120 237	–
Montauk Energy Holdings LLC[1]	Nil	100	**	–	**	–
			120 237	–	191 857	10 043

* Under $1 000.
** Indirectly held.
*** Directly and indirectly held.
# Entity name changed to Montauk Holdings USA, LLC subsequent to year-end.

Subsidiaries whose financial position or results are not material are excluded.

Details of excluded subsidiaries are available from the company secretary.

	2015 $'000	2014 $'000
Profits and losses of consolidated subsidiary companies attributable to the Company		
Aggregate profits after tax	**516**	429
Aggregate losses after tax	**(28 521)**	(18 777)

Subsidiaries are incorporated in various countries. Detail is shown below:

1 USA.
2 Australia.
3 Channel Islands.
4 South Africa.

SALIENT FEATURES OF THE MONTAUK HOLDINGS RESTRICTED STOCK PLAN FOR U.S. AFFILIATES

1. DEFINITIONS

In this statement, unless otherwise stated or the context requires otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular include the plural and vice versa. Words signifying one gender include the other and reference to a person includes references to a body corporate and vice versa.

"Award"	means any one or a combination of grants of Restricted Shares;
"Award Agreement"	means a written agreement between the Company and a Participant or a written acknowledgement from the Company to a Participant specifically setting forth the terms and conditions of an Award granted under the Plan;
"Board"	the board of directors for the time being of the Company or, should the board of directors delegate its authority to a committee of the board, such committee (unless the context indicates to the contrary);
"business day"	any day other than a Saturday, Sunday or public holiday officially recognised as such in South Africa;
"Change in Control"	means, and shall be deemed to have occurred upon the occurrence of, any one of the following events: 1. the sale of all or substantially all of the assets of the Company to an unrelated party; 2. a merger, sale, reorganisation or consolidation of the Company in which the holders of the outstanding voting power of the Company immediately prior to such transaction do not own a majority of the outstanding voting power of the Company or a surviving or resulting entity immediately upon completion of such transaction; 3. any other transaction, including a sale of the membership interests or assets of one or more of the U.S. Affiliates, in a single transaction or series of transactions while this Plan is in place, in which the holders of the U.S. Affiliate's outstanding voting power prior to such transaction do not own at least a majority of the outstanding voting power of the relevant entity after the transaction, in each case, regardless of the form thereof; or 4. any U.S. Affiliate disposes of its business or part thereof or the majority of its assets in circumstances where the Participant who is employed by such US Affiliate becomes employed by the acquirer thereof which itself is not a US Affiliate. For purposes of clarity, an intra-group transfer or restructuring resulting in the Company still directly or indirectly owning at least a majority of the outstanding voting power of the US Affiliates does not constitute a Change in Control;
"Committee"	the Remuneration Committee of the Board;
"Date of Grant"	the date, following the date on which the Committee approves the granting of an Award and the Trust grants the Award, as of which the Participant executes his or her Award Agreement;
"Group"	the Company and its subsidiaries from time to time;
"Montauk Holdings" or "the Company"	Montauk Holdings Limited (Registration No. 2010/17811/06);
"Montauk Holdings shareholders" or "shareholders"	the registered shareholders of the Shares;
"the JSE"	the JSE Limited (Registration No. 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, 2012;
"JSE Listings Requirements"	the Listings Requirements published by the JSE;
"Participant"	a U.S.-based employee of a U.S. Affiliate who has been designated to receive an Award under the Plan, or his/her executor, heir, administrator, trustee or permitted assign, as the case may be;

"Restricted Period"	the period beginning on the Date of Grant of an Award and ending on the date the applicable Restricted Shares, or the applicable portion of the Restricted Shares, vest in the Participant;
"Restricted Shares"	means Shares subject to restrictions imposed in connection with Awards granted under the Plan;
"the Plan"	the Montauk Holdings Limited Restricted Shares Plan for U.S. Affiliates;
"this statement"	this statement, forming part of the annual report of the Company, dated 18 September 2015;
"Shares"	the ordinary Shares of the Company, with no par value;
"South Africa"	the Republic of South Africa;
"Subsidiary"	the meaning ascribed thereto in the JSE Listings Requirements;
"Trust"	the Montauk Holdings Incentive Trust;
"U.S. Affiliate"	each or all of the direct wholly or majority-owned Subsidiaries of the Company in the United States, consisting currently of Montauk Holdings USA LLC, Montauk Energy Holdings, LLC, and Montauk Energy Capital, LLC, and any successors thereto.

2. INTRODUCTION

The purpose of this statement is to advise Montauk Holdings shareholders of the proposed adoption of the Plan (and to set out the salient features thereof) in order for the shareholders to consider and vote in respect of the resolution approving the adoption of the Plan at the annual general meeting of Montauk Holdings shareholders to be held at the Company's registered address, Suite 801, 76 Regent Road, Sea Point, Cape Town.

3. RATIONALE OF THE PLAN

3.1 The purpose of the Plan is to provide selected U.S.-based employees with the opportunity to acquire Shares, thereby ensuring that such employees are encouraged and motivated to pursue continued employment with their employer companies and to contribute to the growth and profitability of the employer company and the Group as a whole.

3.2 The Company or the U.S. Affiliate who employs the Participant, if so determined by the Company, shall bear the costs (including any losses sustained and/or taxes that may be payable by the Group) in respect of the acquisition, purchase or subscription of Shares to be utilised for the Plan, in so far as such costs directly relate to the participation of the employees (or former employees) of that U.S. Affiliate in the Plan.

4. SALIENT FEATURES OF THE PLAN

4.1 Only U.S.-based employees of U.S. Affiliates are eligible to participate in the Plan and to acquire Shares.

4.2 The Committee, in its sole discretion, may designate from time to time such employees to receive Awards, based on such factors or criteria as the Committee may rely upon, including the seniority or performance of the employee, or the performance of the relevant U.S. Affiliate employing the Participant.

4.3 For so long as may be required by the JSE Listings Requirements, no Shares which are held by the Trust from time to time in terms of the Plan (other than as nominee) will be taken into account for purposes of resolutions proposed in terms of the JSE Listings Requirements or for determining categorisations, as detailed in the JSE Listings Requirements.

4.4 The aggregate number of Shares which may be utilised for the Plan shall not exceed 7 514 231 Shares. This limitation shall not be exceeded without the Montauk Holdings shareholders' approval as required in terms of the JSE Listings Requirements.

4.5 The aggregate number of Shares which any one Participant may acquire in terms of the Plan shall not exceed 2 000 000 Shares.

4.6 The Trustees shall from time to time, upon the direction of the Committee, grant to any Participant an Award of Restricted Shares consisting of a specified number of Shares issued or granted to the Participant.

4.7 No monetary consideration shall be payable by the Participant for the grant or acceptance of an Award or the Shares.

4.8 Restricted Shares shall remain subject to the restrictions imposed by the Committee, including the Participant's continued employment or service with the Company or a U.S. Affiliate. Subject to the restrictions, the Shares shall finally vest on the following dates:

Anniversary date of grant	Vesting percentage of award %
1	0
2	20
3	20
4	60

4.9 No person will have any rights under any Award granted under the Plan unless and until the Company, the Trust and the Participant to whom such Award will have been granted have executed and delivered an Award Agreement or received any other Award acknowledgement authorised by the Committee expressly granting the Award to such person and containing provisions setting forth the terms of the Award, which Award has been accepted by the Participant.

4.10 Beginning on the Date of Grant and subject to execution of the Award Agreement, the Participant shall become a shareholder of the Company with respect to all Shares subject to the Award Agreement and shall have all of the rights of a shareholder, including, but not limited to, the right to vote such Shares and the right to receive dividends and special dividends; provided, however, that any Shares distributed as a dividend in specie or otherwise with respect to any Restricted Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such Restricted Shares.

4.11 None of the Restricted Shares may be assigned or transferred (other than by will or the laws of descent and distribution, or to an *inter vivos* trust with respect to which the Participant is treated as the owner under sections 671 through 677 of the U.S. Internal Revenue Code of 1986, as amended), pledged or sold prior to lapse of the restrictions applicable thereto.

4.12 Upon expiration or earlier termination of the Restricted Period referred to in paragraph 4.6, without a forfeiture and the satisfaction of or release from any other conditions prescribed by the Committee, or at such earlier time as provided under the provisions of the applicable Award Agreement, the restrictions applicable to the Restricted Shares shall lapse.

4.13 For any Award of Restricted Shares granted under the Plan, the Company shall establish a dividend equivalent account with respect to the Award, subject to such terms and conditions as the Committee shall determine and as shall be set forth in the applicable Award Agreement. Such terms and conditions shall include, without limitation, for the Participant's account to be credited as of the record date of each cash dividend on the Shares with an amount (denominated in Rand or such other currency as may be determined by the Committee) equal to the cash dividends payable with respect to the number of Shares then covered by the related Award.

4.14 Notwithstanding the vesting schedule referred to above, each Award of Restricted Shares shall vest in full upon the occurrence of:

4.14.1 the Participant's termination of service due to death or disability; or

4.14.2 the Participant's termination of service by the Company without cause; or

4.14.3 the Participant's termination of service in connection with his or her retirement after the later of reaching the age of sixty-five (65) or 1 April 2017; or

4.14.4 a Change in Control.

4.15 All Restricted Shares shall be forfeited and returned to the Trust and all rights of the Participant with respect to such Restricted Shares shall terminate unless the Participant continues in the service of the Company or another U.S. Affiliate as an employee until the expiration of the Restricted Period for such Restricted Shares and satisfies any and all other conditions set forth in the Award Agreement.

4.16 In the event of any corporate event or transaction (including, but not limited to, a change in the Shares or the capitalisation of the Company) such as a merger or amalgamation in which the Company is the surviving company, scheme of arrangement, consolidation, reorganisation, recapitalisation, separation, partial or complete liquidation, share split, reverse share split, split up, spin-off, subdivision, consolidation or distribution of shares or property of the Company, a combination or exchange of Shares, dividend in specie, or other like change in capital structure, number of outstanding Shares, distribution (other than normal cash dividends) to shareholders, the allotment of additional Shares (including bonus or capitalisation shares issued simultaneously with an election to shareholders to decline such Shares and to accept a cash dividend) by the capitalisation of the Company's profits and/or reserves and/or share premium, the issue of additional Shares by the Company pursuant to a rights issue, or any similar corporate event or transaction, then:

4.16.1 the number of Shares which may be utilised for the Plan;

4.16.2 the aggregate number of Shares which any one Participant may acquire in terms of the Plan; and

4.16.3 the number of Restricted Shares which are the subject of any Award,

shall be adjusted in such manner as the Auditors determine to be appropriate and, in making such determination, the Auditors shall ensure that, as far as possible in the circumstances, Participants generally shall remain entitled to the same proportion of the equity capital of the Company as that to which Participants would have been entitled but for such event, and that Participants are not prejudiced nor given benefits beyond those provided for in the Plan and granted to the Company's remaining shareholders generally.

4.17 Any such adjustments shall be subject to the Company's Auditors confirming to the JSE in writing, that the adjustments were calculated on a reasonable basis and in accordance with the provisions of the Plan. Any such adjustment shall be reported in the Company's annual financial statements in the financial period during which the adjustment is made.

4.18 There shall, however, be no such adjustment in respect thereof if there is:

4.18.1 an issue of Shares by the Company as consideration for an acquisition; or

4.18.2 a specific issue of Shares for cash; or

4.18.3 a vendor consideration placement.

4.19 In the event of a merger in which the Company is not the surviving corporation, outstanding Awards shall be subject to the agreement governing the merger, which may provide, without limitation, for the assumption of Awards by the surviving company or its holding company or subsidiary, for the substitution by the surviving company or its holding company or subsidiary of its own Awards for such Awards, for accelerated vesting and accelerated expiration, or for settlement in cash or cash equivalents. In any event, the exercise and/or vesting of any Award that was permissible solely by reason of this paragraph shall be conditioned upon the consummation of the merger.

5. SHAREHOLDER APPROVAL

The implementation of the Plan is subject to obtaining the approval of shareholders by way of an special resolution (requiring a 75% majority of the votes cast in favour of such resolution) in accordance with the JSE Listings Requirements.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this explanatory statement and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make this statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this statement contains all information required by law and the JSE Listings Requirements.

7. RECOMMENDATION

The directors are of the opinion that the Plan will be beneficial to the Group and accordingly recommend that Montauk Holdings shareholders vote in favour of the special resolution necessary for the adoption of the Plan.

8. MONTAUK HOLDINGS ANNUAL GENERAL MEETING

8.1 An annual general meeting will be held at the Company's registered address, Suite 801, The Point, 76 Regent Road, Sea Point, Cape Town 8005 on 29 October 2015 for the purposes of considering, inter alia, a special resolution (requiring a 75% majority of the votes cast in favour of such resolution by all Montauk Holdings shareholders present or represented by proxy at the annual general meeting):

8.1.1 approving the Plan; and

8.1.2 authorising the Company, by way of a specific authority in accordance with the Listings Requirements, to grant Awards in respect of up to a maximum of 7 514 231 Shares in the authorised, but unissued ordinary share capital of the Company, in accordance with the terms and conditions of the Plan and any amendments thereto.

8.2 The proposed special resolution accompanies the notice of annual general meeting, which is included in this annual report on pages 91 to 98.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Plan will be available for inspection during normal business hours (Saturdays, Sundays and South African public holidays excluded) at the registered office of Montauk Holdings and at the office of the Company's sponsor from 29 September to 29 October 2015.

For and on behalf of the Board

Cape Town
18 September 2015

SALIENT FEATURES OF THE MONTAUK HOLDINGS SHARE APPRECIATION RIGHTS SCHEME FOR U.S. AFFILIATES

1. DEFINITIONS

In this statement, unless otherwise stated or the context requires otherwise, the words in the first column have the meanings stated opposite them in the second column. Words in the singular include the plural and vice versa. Words signifying one gender include the other and reference to a person includes references to a body corporate and vice versa.

"Board"	the board of directors for the time being of the company or, should the board of directors delegate its authority to a committee of the board, such committee (unless the context indicates to the contrary);
"Business Day"	any day other than a Saturday, Sunday or public holiday officially recognised as such in South Africa;
"Capitalisation Shares"	additional Shares issued by the Company on a capitalisation of the Company's profits, reserves, share premium account or capital redemption fund, or, additional Shares issued by the Company pursuant to a rights issue;
"Code"	U.S. Internal Revenue Code of 1986, as amended. References to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section;
"Disability"	Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months;
"Employee"	any full-time employee of a U.S. Affiliate, including a director holding salaried employment or officer of a U.S. Affiliate;
"Employer Company"	the U.S. Affiliate which employs or employed the Participant or in respect of which the Participant holds or held office, and which has adopted the terms of the Scheme;
"Exercise Date"	the date on which an Option is exercised by a Participant in accordance with the Scheme;
"Expiry Date"	in respect of any particular Option, the date which is three (3) months after the Maturity Date, unless otherwise specified in the applicable Option Notice;
"Fair Market Value"	on any date, (i) the closing sale price of a Share as reported on an established stock exchange on which the Shares are regularly traded on such date or, if there were no sales on such date, on the last date preceding such date on which a sale was reported; or (ii) if the Shares are not listed for trading on an established stock exchange, Fair Market Value shall be determined by the Board in good faith and otherwise in accordance with Section 409A of the Code, and any regulations and other guidance thereunder;
"Group"	the Company and its Subsidiaries from time to time;
"Maturity Date"	unless otherwise provided in the applicable Option Notice, the earlier to occur of (a) the Participant's continued employment with the Employer Company or another member of the Group through the date or dates specified in the applicable option notice, and (b) a Qualifying Termination of the Participant;
"Montauk Holdings" or "the Company"	Montauk Holdings Limited (Registration No. 2010/17811/06) (Share Code: MNK), a public company duly incorporated in the Republic of South Africa, and its successors, of Suite 801, 76 Regent Road, Sea Point, Cape Town 8005;
"Montauk Holdings shareholders" or "shareholders"	the registered shareholders of the Shares;
"Option"	an option to acquire Shares granted to an Employee in terms of the Scheme which has not yet been exercised and which has not yet lapsed;
"Option Date"	the date designated by the Board as the date as of which it grants an Option, which shall not be earlier than the date on which the Board approves the granting of an Option under this Scheme;
"Option Notice"	the written notice in terms of which the Employer Company grants an Option to an Employee to acquire Shares;

"Option Price"	the Fair Market Value as at the Option Date, as recorded in the Option Notice;
"the JSE"	the JSE Limited (Registration No. 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, 2012;
"JSE Listings Requirements"	the Listings Requirements published by the JSE;
"Participant"	an Employee who has been granted an Option (and who has accepted such Option in accordance with the Option Notice), or his executor, heir, administrator, trustee or permitted assign, as the case may be;
"Qualifying Termination"	the Participant's Termination of Employment (a) due to death or Disability, (b) by the Company without Cause, or (c) in connection with his or her retirement after the later of reaching the age of sixty-five (65) or 1 April 2017;
"Scheme"	Montauk Holdings Limited Employee Share Appreciation Rights Scheme for U.S. Affiliates established in terms of this document;
"this Statement"	this statement, forming part of the annual report of the Company, dated 18 September 2015;
"Shares"	ordinary shares in the capital of the Company, with no par value;
"South Africa"	the Republic of South Africa;
"U.S. Affiliate"	means each or all of the direct wholly or majority-owned Subsidiaries of the Company in the United States, consisting as of the Effective Date of Montauk Holdings USA LLC, Montauk Energy Holdings, LLC, and Montauk Energy Capital, LLC, and any successors thereto.

2. INTRODUCTION

The purpose of this Statement is to advise Montauk Holdings shareholders of the proposed adoption of the Scheme (and to set out the salient features thereof) in order for the shareholders to consider and vote in respect of the resolution approving the adoption of the Scheme at the annual general meeting of Montauk Holdings shareholders to be held at the Company's registered address, Suite 801, 76 Regent Road, Sea Point, Cape Town.

3. RATIONALE OF THE SCHEME

3.1 The purpose of the Scheme is to provide selected U.S.-based employees with the opportunity to acquire Shares, thereby ensuring that such employees are encouraged and motivated to pursue continued employment with their Employer Companies and to contribute to the growth and profitability of the Employer Company and the Group as a whole.

3.2 The U.S. Affiliate who employs the Participant, or the Company if so determined by the Company, shall bear the costs (including any losses sustained and/or taxes that may be payable by the Group) in respect of the acquisition, purchase or subscription of Shares to be utilised for the Scheme, in so far as such costs directly relate to the participation of the employees (or former employees) of that U.S. Affiliate in the Scheme.

4. SALIENT FEATURES OF THE SCHEME

4.1 Only U.S.-based employees of U.S. Affiliates are eligible to participate in the Scheme and to granted Options to acquire Shares.

4.2 The relevant Participant's Employer Company, on the directions of the Board from time to time, shall by written Option Notice grant an Option to employees (selected in the sole discretion of the Board in accordance notified in writing from time to time to the Employer Company) to acquire Shares.

4.3 When selecting which Employees will be granted Options (and the number of Options to be granted to each such Employee), the Board shall take into account the contribution to be made by the relevant Employee to the Employer Company in light of the Employee's skills, experience, qualifications and/or attributes and the Employer Company's strategic objectives at the relevant time.

4.4 The Option Notice shall be dated and signed by the Scheme's compliance officer and shall stipulate:

4.4.1 the name of the Employee;

4.4.2 the number of Shares to which the Option relates;

4.4.3 the Option Price per Share;

4.4.4 that all Options shall only be capable of being Net-equity Settled and therefore shall only be exercisable if the Fair Market Value as of any applicable Exercise Date exceeds the Option Price;

4.4.5 that once exercisable, the Option may only be exercised in respect of the whole (and not part) of the number of Shares to which the Option relates;

4.4.6 the Maturity Date, upon which date the Participant shall become entitled to exercise the Option;

4.4.7 the Expiry Date, upon which date, the Option, if it has not yet been exercised, shall automatically lapse;

4.4.8 that the Option may only be exercised by way of written notice to the Scheme's compliance officer;

4.4.9 that the Option is personal to the Participant and that, without the prior written consent of the Board, the Option may not be sold, alienated, transferred or disposed of in any other manner, or pledged or otherwise encumbered, and any attempt to do so without the prior written consent of the Board shall not be recognised by the Company;

4.4.10 subject to the terms of the Scheme, the Participant shall be entitled to the delivery of and to take transfer of the relevant Shares as soon as is reasonably possible after the Exercise Date;

4.4.11 all risk in and benefit to the Shares, including but not limited to all dividend and voting rights, shall pass to the Participant on the Exercise Date;

4.4.12 that the Option shall be subject to the terms of the Scheme and any other terms which the Board deems appropriate in the circumstances and which are set out in the Option Notice and not inconsistent with the Scheme, and which the Participant has accepted by signing and returning a duplicate copy of the Option Notice within 20 Business Days of the receipt thereof, failing which the Option shall lapse, provided that if the Option Notice is not signed and returned as set out above, the Board may direct, within its sole discretion, that such Option shall be deemed not to have lapsed; and

4.4.13 that the Participant shall bear all costs, duties, taxes, fees, commission and the like pertaining to the transfer of the Shares in respect of which the Option has been exercised and shall pay same upon demand.

4.5 Options may only be exercised in accordance with the terms of the Option Notice. The Participant shall become entitled to exercise the Option in respect of all of the Option Shares that become exercisable in connection with the applicable Maturity Date from such Maturity Date until the Expiry Date, provided that the Participant shall not have incurred a Termination of Employment (other than a Qualifying Termination) on or before the Maturity Date and the Option shall not have otherwise lapsed in accordance with paragraph 4.8 and 4.9 below, prior to the Exercise Date.

4.6 Upon the valid exercise of an Option, the relevant Employer Company shall, subject to paragraph 4.4.13, deliver to the Participant concerned, that number of Shares ("**Settlement Shares**") calculated in accordance with the following formula:

A = (B - C) x D ÷ B

Where:

A = the number of Shares, provided that where A is not a whole number, it shall be rounded down to the nearest whole number;

B = the Fair Market Value as of the Exercise Date;

C = the Option Price;

D = the number of Shares underlying the Option which are eligible to be exercised.

4.7 Upon the delivery by the Employer Company of such Shares to the Participant, the Participant shall be regarded as having paid the Option Price to the Employer Company concerned, and such Employer Company shall be regarded as having discharged its obligation to deliver the Shares in respect of which the Option was granted, to the Participant.

4.8 An Option shall lapse:

4.8.1 if the relevant Participant does not accept the grant of the Option by indicating his/her acceptance of the terms of the Scheme (and any other terms which the Board deems appropriate in the circumstances and which are set out in the Option Notice and not inconsistent with the Scheme), by signing and returning a duplicate copy of the Option Notice within 20 Business Days of the receipt thereof; or

4.8.2 if the Participant does not exercise the Option by the Expiry Date;

4.8.3 if the Option is purportedly exercised otherwise than in terms of the Scheme;

4.8.4 if the interest of a Participant in an Option is attached under any circumstances; or

4.8.5 on the terms set out in the Option Notice,

provided that if any such circumstances arise, the Board may direct, within its sole discretion, that such Option shall be deemed not to have lapsed.

4.9 The Option shall, in addition to what is set out in paragraph 4.8 above, lapse on the date of the Participant's Termination of Employment prior to the occurrence of any Maturity Date, or following the Maturity Date if such Termination of Employment is not a Qualifying Termination; provided that the Board shall be entitled, but not obliged, to direct that the Participant may exercise such Option on a date as may be determined by the Board within its sole discretion, provided that such date may not be later than the Expiry Date.

4.10 Should the Board become aware that:

4.10.1 the Company will be party to an amalgamation, merger or scheme of arrangement as contemplated in chapter 5 of the Act; or

4.10.2 shareholders in the Company who collectively hold more than 50% of the Shares in the Company will sell, exchange or otherwise dispose of their Shares in the Company; or

4.10.3 a mandatory offer to shareholders of the Company is required in terms of section 123 of the Act; or

4.10.4 the Company will propose to pass a resolution for the voluntary winding up of the Company; or

4.10.5 the Shares of the Company are to be delisted from the JSE,

then, notwithstanding anything to the contrary contained in this document the Board shall be entitled, but not obliged, to amend the Scheme in such manner as it deems fit but subject always to the provisions of the Scheme. Without limiting the generality of the aforegoing, and by way of example the Board may amend the Scheme so as to:

4.10.6 accelerate the Maturity Dates; and/or

4.10.7 substitute the Shares forming the subject matter of the Options with shares in any other entity on terms not less favourable than those on which the Participants were previously entitled to participate in terms of the Scheme, and the Participants shall be obliged to accept such substitution.

4.11 If at any time:

4.11.1 the Shares of the Company are consolidated or sub-divided or in any other way reorganised;

4.11.2 the issued ordinary share capital of the Company is reduced;

4.11.3 the Company is placed in liquidation pursuant to or in the course of a reorganisation of the Group;

4.11.4 the Company is party to a scheme of arrangement affecting the structure of its Share capital;

4.11.5 the Company issues Capitalisation Shares,

then the number of Shares which may be utilised for the Scheme, the aggregate number of Shares which any one Participant may acquire in terms of the Scheme, and the number of Shares which are the subject of any Option and/or the Option Price in respect thereof, shall, subject to paragraph 4.13, be adjusted in such manner as the Auditors determine to be appropriate and, in making such determination, the Auditors shall ensure that as far as possible in the circumstances, Participants shall remain entitled to the same proportion of the equity capital of the Company as that to which such Participant would have been entitled but for such event, and that Participants are not prejudiced nor given benefits beyond those provided for in the Scheme.

4.12 For the avoidance of doubt, there shall be no such adjustment if there is:

4.12.1 an issue of Shares by the Company as consideration for an acquisition; or

4.12.2 a specific issue of Shares for cash; or

4.12.3 a vendor consideration placement.

SALIENT FEATURES OF THE MONTAUK HOLDINGS SHARE APPRECIATION RIGHTS SCHEME FOR U.S. AFFILIATES continued

4.13 Any such adjustments shall be subject to the Auditors confirming to the Board and to the JSE, in writing, that the adjustments were calculated on a reasonable basis and in accordance with the provisions of the Scheme.

4.14 The Board shall notify the Participants of that adjustment which shall be binding on the Company, the Employer Company and on the Participants. Any such adjustment shall be reported in the Company's annual financial statements in the financial period during which the adjustment is made.

4.15 Where the Shares in respect of which an Option has been allocated to a Participant are not subsequently issued to such Participant (for example, as a result of the Participant not being employed on the Maturity Date or as a result of the Option lapsing), such Shares shall revert back to the Scheme and may form the subject of further Options to be allocated to Participants under the Scheme.

4.16 The aggregate number of Shares which may be utilised for the Scheme shall not exceed 7 514 231 Shares. This limitation shall not be exceeded without the Montauk Holdings shareholders' approval as required in terms of the JSE Listings Requirements.

4.17 The aggregate number of Shares which any one Participant may acquire in terms of the Scheme shall not exceed 2 000 000 Shares.

5. APPROVAL OF SCHEME

The implementation of the Scheme is subject to obtaining the approval of shareholders by way of a special resolution (requiring a 75% majority of the votes cast in favour of such resolution) in accordance with the JSE Listings Requirements.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this explanatory Statement and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make this Statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Statement contains all information required by law and the JSE Listings Requirements.

7. RECOMMENDATION

The directors are of the opinion that the Scheme will be beneficial to the Group and accordingly recommend that Montauk Holdings shareholders vote in favour of the special resolution necessary for the adoption of the Scheme.

8. MONTAUK HOLDINGS ANNUAL GENERAL MEETING

8.1 An annual general meeting will be held at the Company's registered address on 29 October 2015 for the purposes of considering, inter alia, a special resolution (requiring a 75% majority of the votes cast in favour of such resolution by all Montauk Holdings shareholders present or represented by proxy at the annual general meeting):

8.1.1 approving the Scheme; and

8.1.2 authorising the Company, by way of a specific authority in accordance with the Listings Requirements, to grant options in respect of up to a maximum of 7 514 231 shares in the authorised, but unissued ordinary share capital of the Company, in accordance with the terms and conditions of the Scheme and any amendments thereto.

8.2 The proposed special resolution accompanies the notice of annual general meeting, which is included in this annual report on pages 91 to 98.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Plan will be available for inspection during normal business hours (Saturdays, Sundays and South African public holidays excluded) at the registered office of Montauk Holdings and at the office of the Company's sponsor from 29 September to 29 October 2015.

For and on behalf of the Board

Montauk Holdings Limited

Cape Town
18 September 2015

ANNUAL GENERAL MEETING

MONTAUK HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 2010/017811/06
Share code: MNK
ISIN: ZAE000197455
("Montauk" or "the Company" or "the Group")

NOTICE TO SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2015

NOTICE IS HEREBY GIVEN that the annual general meeting of Montauk Holdings Limited ("the Company") will be held on Thursday, 29 October 2015 at 14:00 at the registered offices of the Company, Suite 801, 76 Regent Road, Sea Point 8005.

This document is available in English only. The proceedings at the meeting will be conducted in English.

GENERAL INSTRUCTIONS AND INFORMATION

Participants at the annual general meeting will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly provide a copy of their identity document, passport or driver's licence at the annual general meeting for verification.

The board of directors of the Company determined, in accordance with section 59 of the Companies Act, 71 of 2008, as amended ("Act"), that the record date for the purpose of determining which shareholders of the Company were entitled to receive notice of the annual general meeting was Friday, 18 September 2015 and the record date for purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is Friday, 23 October 2015. Accordingly, only shareholders who are registered in the register of shareholders of the Company on Friday, 23 October 2015 will be entitled to participate in and vote at the annual general meeting.

All shareholders of ordinary shares in the Company ("shares") are entitled to attend, speak and vote at the annual general meeting. If you hold certificated shares (i.e. have not dematerialised your shares in the Company) or are registered as an "own name" dematerialised shareholder (i.e. have specifically instructed your Central Securities Depository Participant ("CSDP") to hold your shares in your own name on the Company's sub-register), then:

- you may attend and vote at the annual general meeting; alternatively
- you may appoint one or more proxies (who need not be shareholders of the Company) to represent you at the annual general meeting by completing the attached form of proxy and returning it to the office of the transfer secretaries, to be received by no later than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the annual general meeting by way of video conference in Johannesburg. Should you wish to participate in the annual general meeting by way of video conference as aforesaid, you are required to give notice of such proposed participation to the Company at its registered office or at the office of the transfer secretaries by no later than 14:00 on Wednesday, 28 October 2015. In order for the notice to be valid, it must be accompanied by the following:

- if the shareholder is an individual, a certified copy of his identity document and/or passport;
- if the shareholder is not an individual, a certified copy of the resolution adopted by the relevant entity authorising the representative to represent the shareholder at the annual general meeting and a certified copy of the authorised representative's identity document and/or passport;
- a valid e-mail address and/or facsimile number for the purpose of receiving details of the video-conference facility that will be made available. Upon receipt of the aforesaid notice and documents, the Company shall notify you of the relevant details of the video-conference facilities available in Johannesburg at which you can participate in the annual general meeting by way of electronic communication.

Please note that if you own dematerialised shares (i.e. have replaced the paper share certificates representing the shares with electronic records of ownership under the JSE Limited's ("JSE") electronic settlement system held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder you are not a registered shareholder of the Company. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the annual general meeting, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy.

The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be. CSDPs, brokers or their nominees, as the case may be, recorded in the Company's sub-register as holders of dematerialised shares held on behalf of an investor/ beneficial owner should, when authorised in terms of their mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the office of the Company's transfer secretaries to be received by not less than 24 (twenty-four) hours prior to the time appointed for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

NOTICE TO MEMBERS

On a poll the holders of ordinary no par value shares are entitled to 1 (one) vote per ordinary share.

Unless otherwise specifically provided below, for any of the ordinary resolutions to be adopted more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For any special resolutions to be adopted more than 75% of the voting rights exercised on each special resolution must be exercised in favour thereof.

The integrated annual report to which this notice of annual general meeting is attached provides details of:

- the directors and management of the Company, including brief CVs of the directors nominated for re-election, on pages 6 and 7;
- the major shareholders of the Company on page 3; and
- the share capital of the Company in note 11 and an analysis of shareholders on pages 3 and 4.

There are no material changes to the Group's financial or trading position (other than as disclosed in the accompanying integrated annual report), nor are there any legal or arbitration proceedings that may materially affect the financial position of the Group between 31 March 2015 and the reporting date.

The directors accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that the integrated annual report and this notice provide all information required by law and the Listings Requirements of the JSE ("JSE Listings Requirements").

PURPOSE

1. Transacting the following business:
   - 1.1 to present the audited annual financial statements of the Company and its subsidiaries ("Group") for the year ended 31 March 2015, the associated directors' report, external auditor's report, the audit and risk committee report and the social and ethics committee report;
   - 1.2 to elect directors in the place of those retiring in accordance with the Company's memorandum of incorporation ("MOI");
   - 1.3 to present for approval and adoption the Montauk Holdings Limited Employee Restricted Share Plan ("RSU Plan") and the Montauk Holdings Limited Employee Share Appreciation Rights Scheme ("SARs Scheme");and
   - 1.4 such other business as may be transacted at an annual general meeting.
2. Considering, and if deemed fit, passing, with or without modification, the below-mentioned ordinary and special resolutions.

   The purpose of the annual general meeting is for the following business to be transacted and the following resolutions to be proposed, all of them as ordinary resolutions, unless the contrary appears:

AGENDA

1. The Act requires the Company to present the audit committee report and the directors' report at the annual general meeting of the Company. The directors' report is set out on pages 32 to 33 and the audit committee report is set out on pages 22 and 23 of the integrated annual report to which this notice of annual general meeting is attached.
2. **To receive and adopt the audited financial statements – ordinary resolution number 1**

   "Resolved that the audited financial statements and Group audited financial statements for the year ended 31 March 2015 as tabled at the meeting are hereby adopted."

   The purpose of this ordinary resolution is to adopt the annual financial statements of the Company and its subsidiaries as set out on pages 30 to 80 of the integrated annual report to which this notice of annual general meeting is attached.

3. **Appointment of directors – ordinary resolution numbers 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 and 2.8**

   Mr JA Copelyn, Mr DR Herrman, Mr SF McClain, Mr MH Ahmed, Ms NB Jappie, Mr MA Jacobson, Mr A van der Veen and Mr BS Raynor retire as directors in accordance with the Company's MOI but, being eligible, each offer themselves for re-election as a director of the Company. For CV details, see pages 6 and 7.

   The reason for ordinary resolution number 2.1 is to re-elect Mr JA Copelyn, who retires as a director in accordance with the Company's MOI. Accordingly, shareholders are requested to consider and if deemed fit, to re-elect Mr JA Copelyn by way of passing the ordinary resolution set out below:

   3.1 Mr JA Copelyn – ordinary resolution number 2.1
   "Resolved that Mr JA Copelyn be and is hereby elected as a director of the Company."

   The reason for ordinary resolution numbers 2.2 to 2.8 is that Messrs DR Herrman, SF McClain, MH Ahmed, Ms NB Jappie, Messrs MA Jacobson, A van der Veen and BS Raynor were appointed as directors by the board during the course of the year and are required to retire in terms of the Company's MOI at the annual general meeting following their appointment to the board. These directors are eligible and have offered themselves for re-election. Accordingly, shareholders are requested to consider and if deemed fit, to re-elect Messrs DR Herrman, SF McClain, MH Ahmed, Ms NB Jappie, Messrs MA Jacobson, A van der Veen and BS Raynor by way of passing the ordinary resolutions set out below:

   3.2. ***Mr DR Herrman – ordinary resolution number 2.2***
   "Resolved that Mr DR Herrman be and is hereby elected as a director of the Company."

   3.3 ***Mr SF McClain – ordinary resolution number 2.3***
   "Resolved that Mr SF McClain be and is hereby elected as a director of the Company."

   3.4 ***Mr MH Ahmed – ordinary resolution number 2.4***
   "Resolved that Mr MH Ahmed be and is hereby elected as a director of the Company."

   3.5 ***Ms NB Jappie – ordinary resolution number 2.5***
   "Resolved that Ms NB Jappie be and is hereby elected as a director of the Company."

   3.6 ***Mr MA Jacobson – ordinary resolution number 2.6***
   "Resolved that Mr MA Jacobson be and is hereby elected as a director of the Company."

   3.7 ***Mr A van der Veen – ordinary resolution number 2.7***
   "Resolved that Mr A van der Veen be and is hereby elected as a director of the Company."

   3.8 ***Mr BS Raynor – ordinary resolution number 2.8***
   "Resolved that Mr BS Raynor be and is hereby elected as a director of the Company."

4. **Reappointment of auditor – ordinary resolution number 3**

   The Company's audit committee has recommended that Grant Thornton Johannesburg Partnership be reappointed as the auditor of the Company for the ensuing year and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2016 is Mr T Schoeman. Accordingly, the directors propose that the following resolution be adopted:

   "Resolved that Grant Thornton Johannesburg Partnership is hereby appointed as the auditor to the Company for the ensuing year."

   The reason for ordinary resolution number 3 is that the Company, being a public listed Company, must have its financial results audited and such auditor must be appointed or reappointed each year at the annual general meeting of the Company as required by the Act.

5. **Appointment of audit committee – ordinary resolution numbers 4.1, 4.2 and 4.3**

   5.1 ***Appointment of audit committee – ordinary resolution number 4.1***
   "Resolved that Mr MH Ahmed (see CV details on page 6) be appointed to the audit committee of the Company for the ensuing year."

   5.2 ***Appointment of audit committee – ordinary resolution number 4.2***
   "Resolved that Ms NB Jappie (see CV details on page 6) be appointed to the audit committee of the Company for the ensuing year."

   5.3 ***Appointment of audit committee – ordinary resolution number 4.3***
   "Resolved that Mr BS Raynor (see CV details on page 7) be appointed to the audit committee of the Company for the ensuing year."

   The reason for ordinary resolution numbers 4.1 to 4.3 is that the Company, being a public listed company, must appoint an audit committee and the Act requires that the members of such audit committee be appointed at each annual general meeting of a company.

6. **General authority over unissued shares – ordinary resolution number 5**

   "Resolved that all the unissued authorised shares in the Company, be and are hereby placed under the control of the directors, subject to the provisions of the Act, the MOI and the JSE Listings Requirements, until the next annual general meeting."

No issue of these shares is contemplated at the present time other than in accordance with the terms of the Montauk Holdings Limited RSU Plan and/or the Montauk Holdings Limited SARs Scheme subject to the approval thereof in terms of special resolutions numbers 6 and 7 below.

7. **Advisory endorsement of remuneration report for the year ended 31 March 2015 – non-binding resolution number 6**

"To endorse, on an advisory basis, the Company's remuneration policy on pages 24 and 25 of the integrated annual report (excluding the remuneration of the non-executive directors for their services as directors and members of board committees)."

Motivation for advisory endorsement

In terms of the King Code of Governance Principles for South Africa 2009 an advisory vote should be obtained from shareholders on the Company's annual remuneration policy. The vote allows shareholders to express their views on the remuneration policies adopted and their implementation, but will not be binding on the Company.

8. **General authority to issue shares and options for cash – special resolution number 1**

"Resolved that the directors of the Company be and are hereby authorised by way of a general authority to issue (which shall for the purposes of the JSE Listings Requirements include the sale of treasury shares) for cash (as contemplated in the JSE Listings Requirements) all or any of the authorised but unissued shares in the capital of the Company, including options, as and when they in their discretion deem fit, subject to the Act, the MOI of the Company and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that such issues for cash may not, in the aggregate, in any 1 (one) financial year, exceed 15% (fifteen percent) of the number of shares of the relevant class of shares issued prior to such issue."

Additional requirements imposed by the JSE Listings Requirements

It is recorded that the Company may only make an issue of shares for cash under the above general authority if the following JSE Listings Requirements are met:

- the shares, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue;
- the general authority shall only be valid until the Company's next annual general meeting or for 15 (fifteen) months from the date of passing of this ordinary resolution, whichever period is shorter;
- a SENS announcement will be published giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the price of the issue was agreed in writing between the Company and party/ies subscribing for such shares and the expected effect on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to that issue;
- that issues in the aggregate in any 1 (one) financial year may not exceed 20 288 423 ordinary shares, representing 15% (fifteen percent) of the ordinary shares of the Company, excluding treasury shares, taking into account the dilutionary effect of convertible equity securities and options in accordance with the JSE Listings Requirements;
- in determining the price at which an issue of shares may be made in terms of this general authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed to between the Company and the party/ies subscribing for the shares; and
- any issue will only be made to "public shareholders" as defined by the JSE Listings Requirements and not to related parties.

In terms of the Company's MOI, for so long as the Company is listed on the JSE, if any of the JSE Listings Requirements require an ordinary resolution to be passed with a 75% majority, the resolution shall instead be required to be passed by way of a special resolution of shareholders. Accordingly, this resolution is a special resolution and is required to be passed with the approval of more than 75% of the voting rights exercised on this resolution.

9. **Approval of annual fees to be paid to non-executive directors – special resolution number 2**

"To approve for the period 1 November 2015 until the date of the next annual general meeting of the Company, the remuneration payable to non-executive directors of the Company for their services as directors as follows:

Non-executive director	Fee (R)
JA Copelyn	133 686
MH Ahmed	133 686
NB Jappie	133 686
MA Jacobson	95 490
A van der Veen	95 490
BS Raynor	133 686”

Reason for and effect of special resolution number 2

This resolution is proposed in order to comply with the requirements of the Act. In terms of section 65(11)(h) of the Act, read with section 66(8) and 66(9) of the Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the holders within the previous 2 (two) years and only if this is not prohibited in terms of the Company's MOI.

The payment of remuneration to directors for their services as directors is not prohibited by the Company's MOI. This special resolution applies only to non-executive directors, as executive directors are required to attend meetings as part of their terms of employment and do not receive remuneration for their services as directors in addition to salaries they receive by virtue of their employment by the Company.

The proposed directors' remuneration payable to non-executive directors is based on best practice and aimed at ensuring fair and competitive remuneration practices. It is important for the Company to attract new directors and retain directors with the relevant capabilities, skills and experience required to effectively conduct the business of the board and lead the Company according to its strategic priorities.

10. **General authority to repurchase Company shares – special resolution number 3**

“Resolved that the Company hereby approves, as a general approval contemplated in JSE Listing Requirement 5.72 and sections 46 and 48 of the Act (including but limited to section 48(8)(a) of the Act), the acquisition by the Company or any of its subsidiaries from time to time of the issued shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject to the MOI, the provisions of the Act and the JSE Listings Requirements as presently constituted and which may be amended from time to time, and provided that:

- acquisitions by the Company and its subsidiaries of shares in the capital of the Company may not, in the aggregate, exceed in any one financial year 20% (twenty per cent) (or 10% (ten per cent) where such acquisitions relate to the acquisition by a subsidiary) of the Company's issued share capital of the class of the repurchased shares from the date of the grant of this general authority;
- any such acquisition of shares shall be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company (or any subsidiary) is authorised to do so in terms of its MOI;
- this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- in determining the price at which the Company's shares are acquired by the Company or its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired may not be greater than 10% (ten per cent) above the weighted average of the market price at which such shares are traded on the JSE for the 5 (five) business days immediately preceding the date the repurchase transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- the Company or its subsidiaries may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been submitted to the JSE in writing prior to commencement of the prohibited period;
- a SENS announcement will be published as soon as the Company and/or its subsidiaries has/have acquired shares constituting, on a cumulative basis 3% (three per cent) of the number of shares of the class of shares repurchased in issue at the time of granting of this general authority, and each time the Company acquires a further 3% (three per cent) of such shares thereafter, which announcement shall contain full details of such acquisitions;
- the repurchase shall only be effected if the board of directors has at the time of the repurchase passed a resolution authorising the repurchase in terms of sections 48 and 46 of the Companies Act and it reasonably appears that the Company and its subsidiaries have satisfied the solvency and liquidity test and that, since the test was performed, there have

been no material changes to the financial position of the Company and its subsidiaries."

Statement by the board of directors of the Company
Pursuant to and in terms of the JSE Listings Requirements, the board of directors of the Company hereby states that:

a) it is their intention to utilise the general authority to acquire shares in the Company if at some future date the cash resources of the Company are in excess of its requirements or there are good grounds for doing so. In this regard the directors will take account of, inter alia, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company, and the interests of the Company;
b) in determining the method by which the Company intends to acquire its shares, the maximum number of shares to be acquired and the date on which such acquisition will take place, the directors of the Company will only make the acquisition if at the time of the acquisition they are of the opinion that:
   - the Company and its subsidiaries would, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of this notice of the annual general meeting;
   - the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards and recognised and measured in accordance with the accounting policies used in the latest audited financial statements, would, after the repurchase, be in excess of the consolidated liabilities of the Company and its subsidiaries for the next 12 (twelve) months after the date of this notice of the annual general meeting;
   - the issued share capital and reserves of the Company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes of the Company or any acquiring subsidiary for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting;
   - the working capital available to the Company and its subsidiaries would, after the repurchase, be adequate for the ordinary business purposes for the next 12 (twelve) months after the date of approval of this notice of the annual general meeting; and
   - the Company and its subsidiaries pass the solvency and liquidity test and that from the time that the test is done, there are no material changes to the financial position of the Company or any acquiring subsidiary; and

The reason for special resolution number 3 is to grant the Company a general authority in terms of the JSE Listings Requirements for the acquisition by the Company, or any of its subsidiaries, of shares issued by the Company, which authority shall be valid until the next annual general meeting of the Company.

The passing and registration of this special resolution will have the effect of authorising the Company or any of its subsidiaries to acquire shares issued by the Company.

11. **General approval of the provision of financial assistance in terms of sections 44 and 45 of the Companies Act – special resolution number 4**

"Resolved as a special resolution that, to the extent required by sections 44 and 45 of the Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's MOI and the Act, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, to:

- the Company's present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, or any person wishing to subscribe for any option, or any securities issued or to be issued by the Company, the Company's present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company; or
- a director or prescribed officer of the Company or of a related or interrelated company, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, or to a person related to any such company, corporation, director, prescribed officer or member, and that any of such financial assistance may be provided at any time during the period commencing on the date of the adoption of this resolution and ending two years after such date."

In terms of the Act and the Company's MOI, this resolution will be adopted with the support of more than 75% of the voting rights exercised on this resolution.

Reason for and effect of special resolution number 4:
As part of the normal conduct of the business of the Company and its subsidiaries from time to time, the Company, where necessary, provides financial assistance to its related and interrelated companies and entities (as contemplated in

the Act) including the provisions of guarantees and other forms of security to third parties which provide funding to the Company's local and foreign subsidiaries, whether by way of loans, subscribing for shares (including preference shares) or otherwise. In the circumstances and in order to ensure that, among other things, the Company and its subsidiaries and other related and interrelated companies and entities continue to have access to, and are able to appropriately structure their financing for purposes of funding their corporate and working capital requirements, it is necessary that the Company obtains the approval of shareholders in terms of this special resolution number 1. Sections 44(3)(ii) and 45(3)(a)(ii) of the Act provide that the financial assistance required can only be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which resolution must have approved such financial assistance either for the specific recipient, or generally for a category of potential recipients (and the specific recipient falls within that category), and the directors must be satisfied that:

- immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity test, as defined in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The passing of this special resolution number 4 will have the effect of authorising the Company to provide direct or indirect financial assistance in accordance with sections 44 and 45 of the Act, for a period of two years after the adoption of this resolution.

12. **Amendment to the Company's MOI – special resolution number 5**

"Resolved as a special resolution that, in terms the Act, read together with the MOI, clause 19.12.3 the MOI of the Company be amended by substituting clause 19.12.3 in its entirety with the following provision:

'in the case of the Annual General Meeting a copy of the complete Annual Financial Statements for the preceding financial year unless it has distributed them previously or unless to the extent permitted by the Companies Act and the Listings Requirements of the JSE, the Company includes a summarised form thereof together with instructions for receiving the complete Annual Financial Statements;'"

Reason for and effect of special resolution number 5
The reason for special resolution number 5 is that in terms of the Act and the JSE Listings Requirements the Company is not required to distribute the complete annual report and annual financial statements to the shareholders of the Company in hard copy format. The Company is required to distribute a summarised version of the annual financial statements to the shareholders in the notice of the annual general meeting; in this regard the Company shall continue to do so. The proposed amendment will result in cost savings for the Company, while still providing shareholders with the requisite summary of the annual financial statements. Shareholders will retain the right to request copies of the full annual financial statements upon request to the Company in terms of the Company's MOI.

13. **Approval of the Montauk Holdings Limited Employee Restricted Share Plan – special resolution number 6**

"Resolved that the Montauk Holdings Limited RSU Plan and the draft rules which will be available for inspection prior to and at the meeting and signed by the chairman for the purposes of identification, are hereby approved. The directors of the Company be and are hereby authorised to do all such acts as they consider necessary or expedient for the purposes of implementing the Montauk Holdings RSU Plan."

The salient terms of the Montauk Holdings Limited RSU Plan are summarised on pages 81 to 85 of the integrated annual report to which this notice is attached. A copy of the rules of the Montauk Holdings Limited RSU Plan and the related Trust Deed are available for inspection during normal business hours at the Company's registered office, Suite 801, 76 Regent Road, Sea Point 8005, from 29 September 2015 until 29 October 2015.

Motivation for special resolution number 6
Although the salient terms of the Montauk Holdings Limited Restricted Share Plan, summarised on pages 81 to 85 of the integrated annual report to which this notice is attached, contain what the Board believes to be a summary of the most material terms of the Montauk Holdings Limited RSU Plan, it does not summarise every proposed term of the Montauk Holdings Limited RSU Plan in detail. Shareholders are hereby referred to the Montauk Holdings Limited RSU Plan document containing all of the terms applicable to the proposed Montauk Holdings Limited RSU Plan, which will be available for inspection by shareholders at the Company's registered address during normal business hours from the date of notice of the annual general meeting until the date of the annual general meeting. Shareholders can also request a copy of the Montauk Holdings Limited RSU Plan document to be posted or e-mailed to them by contacting the company secretary on 021 481 7560.

The reason for the adoption of the Montauk Holdings Limited RSU Plan is to assist in attracting and retaining highly competent U.S.-based employees and to act as an incentive in motivating selected employees of the Company's U.S. affiliates to achieve long-term corporate objectives.

The JSE has provided formal approval of the Montauk Holdings Limited RSU Plan, subject to approval of the Company's shareholders in terms of this special resolution.

In terms of the JSE Listings Requirements special resolution number 6 is required to be passed by approval of more than 75% of all shareholders present or represented by proxy at the annual general meeting.

14. **Approval of the Montauk Holdings Limited Employee Share Appreciation Rights Scheme – special resolution number 7**

"Resolved that the Montauk Holdings Limited SARs Scheme and the draft rules which will be available for inspection prior to and at the meeting and signed by the Chairman for the purposes of identification, are hereby approved. The directors of the Company be and are hereby authorised to do all such acts as they consider necessary or expedient for the purposes of implementing the Montauk Holdings Limited SARs Scheme."

The salient terms of the Montauk Holdings Limited SARs Scheme are summarised on pages 86 to 90 of the integrated annual report to which this notice is attached. A copy of the rules of the Montauk Holdings Limited SARs Scheme is available for inspection during normal business hours at the Company's registered office, Suite 801, 76 Regent Road, Sea Point 8005, from 29 September 2015 until 29 October 2015.

Motivation for special resolution number 7
Although the salient terms of the Montauk Holdings Limited Share Appreciation Rights Scheme, summarised on pages 86 to 90 of the integrated annual report to which this notice is attached, contain what the board believes to be a summary of the most material terms of the Montauk Holdings Limited SARs Scheme, it does not summarise every proposed term of the Montauk Holdings Limited SARs Scheme in detail. Shareholders are hereby referred to the Montauk Holdings Limited SARs Scheme document containing all of the terms applicable to the proposed Montauk Holdings Limited SARs Scheme, which will be available for inspection by shareholders at the Company's registered address during normal business hours from the date of notice of the annual general meeting until the date of the annual general meeting. Shareholders can also request a copy of the Montauk Holdings Limited SARs Scheme document to be posted or e-mailed to them by contacting the company secretary on 021 481 7560.

The reason for the adoption of the Montauk Holdings Limited Share Appreciation Rights Scheme is to assist in attracting and retaining highly competent U.S.-based employees and to act as an incentive in motivating selected employees of the Company's U.S. affiliates to achieve long-term corporate objectives.

The JSE has provided formal approval of the Montauk Holdings Limited SARs Scheme, subject to approval of the Company's shareholders in terms of this special resolution.

In terms of the JSE Listings Requirements special resolution number 7 is required to be passed by approval of more than 75% of all shareholders present or represented by proxy at the annual general meeting.

15. **Authorisation of directors – ordinary resolution number 7**

"Resolved that each and every director of the Company be and is hereby authorised to do all such things and sign all such documents as may be necessary or incidental to the implementation of the resolutions passed at this annual general meeting."

To consider and, if approved, to pass with or without modification, the resolutions set out above, in the manner required by the Act, as read with the JSE Listings Requirements.

16. **To transact such other business which may be transacted at an annual general meeting.**

By order of the board

Cape Town
18 September 2015

FORM OF PROXY

MONTAUK HOLDINGS LIMITED
Incorporated in the Republic of South Africa
Registration number: 2010/017811/06
Share code: MNK
ISIN: ZAE000197455
("Montauk" or "the Company" or "the Group")

I/We, ____ (name in full)

of address ____

being a registered holder of ______________________________ ordinary shares in the Company,

hereby appoint

1____ or failing him/her,

2 ____ or failing him/her,

3 ____ or failing him/her,

the chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on Thursday, 29 October 2015 at 14:00 at the offices of Hosken Consolidated Investments Limited, Suite 801, 76 Regent Road, Sea Point 8005 and at any adjournment thereof as follows:

Agenda	Resolution No	Description	For	Against	Abstain
2	Ordinary resolution 1	Adoption of audited financial statements			
3.1	Ordinary resolution 2.1	Election of director: Mr JA Copelyn			
3.2	Ordinary resolution 2.2	Election of director: Mr DR Herrman			
3.3	Ordinary resolution 2.3	Election of director: Mr SF McClain			
3.4	Ordinary resolution 2.4	Election of director: Mr MH Ahmed			
3.5	Ordinary resolution 2.5	Election of director: Ms NB Jappie			
3.6	Ordinary resolution 2.6	Election of director: Mr MA Jacobson			
3.7	Ordinary resolution 2.7	Election of director: Mr A van der Veen			
3.8	Ordinary resolution 2.8	Election of director: Mr BS Raynor			
4	Ordinary resolution 3	Reappointment of auditor			
5.1	Ordinary resolution 4.1	Appointment of audit committee member: Mr MH Ahmed			
5.2	Ordinary resolution 4.2	Appointment of audit committee member: Ms NB Jappie			
5.3	Ordinary resolution 4.3	Appointment of audit committee member: Mr BS Raynor			
6	Ordinary resolution 5	General authority over unissued shares			
7	Non-binding resolution 6	Advisory endorsement of remuneration report for the year ended 31 March 2015 (non-binding resolution number 6)			
8	Special resolution 1	General authority to issue shares and options for cash			
9	Special resolution 2	Approval of annual fees to be paid to non-executive directors			
10	Special resolution 3	General authority to repurchase company shares			
11	Special resolution 4	General authority to provide financial assistance in terms of sections 44 and 45 of the Companies Act			
12	Special resolution 5	Amendment to the Company's MOI			
13	Special resolution 6	Approval of the Montauk Holdings Limited Employee Restricted Share Plan			
14	Special resolution 7	Approval of the Montauk Holdings Limited Employee Share Appreciation Rights Scheme			
15	Ordinary resolution 7	Authorisation of directors to implement resolutions passed			

Indicate instructions to proxy by way of a cross in the space provided above.

Unless otherwise instructed my proxy may vote as he/she thinks fit.

Signed this ______________________________ day of ______________ 2015.

Signature ____

Assisted by me (where applicable) ______________________________

Please read the notes overleaf

NOTES TO THE FORM OF PROXY

1. A form of proxy is only to be completed by those shareholders who are:
   - holding shares in certificated form; or
   - recorded in the sub-register in dematerialised electronic form in “own name”.
2. If you have already dematerialised your ordinary shares through a Central Securities Depository Participant (“CSDP”) or broker, other than with “own name” registration, and wish to attend the general meeting, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into by yourself and the CSDP or broker.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
4. Every person present and entitled to vote at the meeting as a member or as a proxy or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of shares such person holds or represents but, in the event of a poll, a member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.
5. Please insert the relevant number of shares/votes and indicate with an X in the appropriate spaces on the face hereof how you wish your votes to be cast. If you return this form duly signed without any specific directions, the proxy will vote or abstain from voting at his/her discretion.
6. A deletion of any printed details and the completion of any blank space/s need not be signed or initialled. Any alteration must be initialled.
7. The chairman of the general meeting shall be entitled to decline to accept the authority of the signatory under a power of attorney, or on behalf of a company, unless the power of attorney or authority is produced or has been registered.
8. The signatory may insert the name of any person/s whom the signatory wishes to appoint as his/her proxy, in the blank space/s provided for that purpose.
9. When there are joint holders of shares and if more than one such joint holder be present or represented, then the person whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
10. A minor should be assisted by his parent or legal guardian unless the relevant documents establishing his legal capacity are produced or have been registered.
11. The completion and lodging of this proxy form will not preclude the signatory from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
12. A shareholder’s instructions must be indicated by the insertion of a cross, or where applicable, the relevant number of votes exercisable by the shareholder, in the appropriate box of this proxy form.
13. If the signatory does not indicate how he/she wishes to vote in the appropriate place/s on the face hereof in respect of the resolution, his/her proxy shall be entitled to vote as he/she deems fit in respect of the resolutions.
14. If the shareholding is not indicated on the proxy form, the proxy will be deemed to be authorised to vote the total shareholding.
15. The chairman of the general meeting may reject or accept any proxy form which is completed other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
16. Forms of proxy will not be accepted unless they have been returned by the shareholders concerned to Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) so as to be received by no later than 14:00 on Wednesday, 28 October 2015.

CORPORATE ADMINISTRATION

DIRECTORS

Executive

DR Herrman[1] (Chief Executive Officer)
SF McClain[1] (Chief Financial Officer)

Non-executive

JA Copelyn (Chairman)
MA Jacobson[2]
A van der Veen
NB Jappie
BS Raynor[1]
MH Ahmed (Lead Independent)

[1] Nationality: United States of America
[2] Nationality: Australia

WEBSITE ADDRESS
www.montauk.co.za

COMPANY REGISTRATION NUMBER
2010/017811/06

JSE SHARE CODE: MNK
ISIN: ZAE000197455

COMPANY SECRETARY AND REGISTERED OFFICE
HCI Managerial Services Proprietary Limited
Suite 801
76 Regent Road
Sea Point, 8005
Telephone: 021 481 7560
Telefax: 021 434 1539

PO Box 5251
Cape Town, 8000

AUDITOR
Grant Thornton Johannesburg Partnership
Practice Number 903485
@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo 2196

Private Bag X10046
Sandton 2146

BANKERS
Nedbank Limited

SPONSOR
Investec Bank Limited
100 Grayston Drive
Sandton, Sandown 2196

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg 2001

PO Box 61051
Marshalltown 2107

GROUNDPEPPER

Montauk

Holdings Limited

www.montauk.co.za