

Regulatory Announcement

[Go to market news section](#)



Company	Watermark Global PLC
TIDM	WET
Headline	Conclusion of Funding Arrangement with the Development Bank of South Africa (â??DBSAâ??)
Released	11:56 19-Feb-09
Number	9005422.xml

Watermark Global plc

(“Watermark” or “the Company”)

Conclusion of Funding Arrangement with the Development Bank of South Africa (“DBSA”)

The Directors of Watermark are pleased to announce that, following the conclusion of the Pre Feasibility Study in October 2008, significant progress has been made towards the Definitive Feasibility Study (“DFS”). The Company has recently concluded agreements with a number of specialists including:

- Project Assignments – Plant Engineering design
- Thermtron – Value Engineering (Thermal Process)
- Golder Associates – Environmental Impact Assessment studies
- Golder Associates – Study Lead for the DFS

The DFS is the next phase of the project and will enable the company to:

- Confirm Acid Mine Drainage (“AMD”) water resources available from the Witwatersrand basins (Western, Central and Eastern Basins)
- Conduct option analysis on the final plant design (including size and scalability)
- Conduct an assessment of the water abstraction infrastructure currently in place
- complete the necessary regulatory processes, including the Environmental Impact Assessment and licensing requirements,
- optimise engineering design that will enable us to progress to construction
- finalise contracting and tendering policies and procedures
- finalise capital cost estimates

Watermark, through its wholly-owned subsidiary, Western Utilities Corporation (“WUC”) has set a timetable of June 09 for the completion of the DFS. Once the DFS has been completed the Company will begin the establishment of a commercial operation, which includes procurement, construction, and commissioning of the envisaged 75ML water treatment plant as well as the by-product recovery plant. Construction is expected to start in December 2009 with plant commissioning in December 2010.

The total cost for completion of the DFS is estimated at approximately R35m (£2.4m). To this end, the Company is fortunate to have secured the commitment of the DBSA as one of its funding partners. The Directors are in discussions that provide them with some confidence that the remaining portion of the funding (to the value of R25 million £1.67m) will be secured and that the DFS will subsequently be completed on time, enabling the next stages of the project to be implemented immediately thereafter.

The DBSA has approved a non- recourse loan to the value of R10m (£0.67m.) for the preparation and

conclusion of the DFS. The loan is repayable on closure for the financing of the commercialisation phase and will carry interest at 25% payable on completion of the commercial financing, with the option to capitalise) The provision of this funding will secure for them the right of first refusal for providing the funding of up to 50% of the commercial plant. In the event that closure for the financing of the project is not reached within the next five years, the loan will be written-off in total by DBSA.

Commenting on the project and the funding arrangements put in place, DBSA's Mohale Rakgate said, "We are delighted to partner with WUC in this very exciting and important opportunity and believe not only will it contribute economically to the Gauteng region, but it will also address a potentially hazardous environmental concern. By supporting the finalisation of the DFS, DBSA has committed itself to the project and is looking forward to working with the WUC team to bring the project to full commercialisation at the earliest opportunity."

Enquiries:

Watermark Global Plc

Peter Marks, Chairman

Dirk Kotze, Chief Financial Officer

www.watermarkglobalplc.com

Tel: +44(0)2072331462

Tel: +27(0)12 661 3602

Nominated Adviser: Cenkos Securities

Elizabeth Bowman

Joe Nally

Tel: +44(0)2073978928

Tel: +44(0)2073978919

Investor Relations

Charles Zorab

Tel: +44(0)2072331462

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2009 London Stock Exchange plc. All rights reserved