

21 November 2011

**Watermark Global Plc**  
**(“Watermark” or the “Company”)**

**Project Update**

The Board of Watermark (AIM: WET.L) notes the recent announcement by Central Rand Gold (CRG) regarding the tenders to address the short term neutralization of Acid Mine Drainage in the three Witwatersrand Basins by Trans Caledon Tunnel Association (TCTA).

In order to inform our shareholders of the various processes being followed by the South African Department of Water Affairs (DWA), we would like to clarify the following :-

There are two main tender processes being followed at present:

1. DWA engaged TCTA for the short term (which, according to DWA, is 3 years) implementation of neutralization plants in the three basins, which basically consists of acid neutralization and heavy metal precipitation through the addition of lime.

The water produced from this process will still be very high in sulphates and will require additional treatment to get to a potable level, such as the ABC (Alkaline Barium Calcium) process jointly developed by the CSIR and WUC as part of WUC’s Bankable Feasibility Study.

This is the tender process referred to by CRG and TCTA. WUC will not be participating in this tender since this is a construction tender. WUC, however, intends to tender on the Operations and Maintenance of these plants as and when these tenders become available.

Unfortunately, WUC is unable to provide definitive time lines as to when and if the Operations and Maintenance tenders will become available.

2. The second tender process being followed is the tender for a feasibility study for the longer-term solution for AMD, as per our previous announcements. Again, WUC will not participate in the tender itself but will engage the successful tenderer once appointed by DWA to showcase the DFS we have already completed. WUC also intends to tender on the very important operations and maintenance of the long term solution plant.

As previously announced, the Inter Ministerial Committee report compiled by the various experts selected the MBA (Magnesium Barium Alkaline) process which in essence consists of the ABC process with an added magnesium hydroxide removal stage. It is for this reason that Watermark and WUC still believe that, as a result of the substantial feasibility work done and WUC's ability to provide highly effective AMD treatment technology, it has an opportunity to make a valuable contribution to the delivery of a solution to the AMD problem and thereby provide shareholders with significant value.

However, the adjudication and timing of these tenders are something which WUC and Watermark do not have any control over, and therefore cannot provide shareholders with definite time lines.

Please be assured that the Board is doing everything in its power to engage the various authorities and will provide shareholders with an update as soon as any material information become available.

The Board would once again like to thank shareholders for their continued support during this period.

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