

Mvelaphanda Group Limited
(Incorporated in the Republic of South Africa)
Registration number 1995/004153/06
Ordinary share code: MVG
Preference share code: MVGP
Ordinary share ISIN: ZAE000060737
Preference share ISIN: ZAE000073540
("Mvela Group")

Blackstar Group SE
Previously Blackstar Group PLC
(Incorporated in England and Wales)
(Company number SE 30)
(registered as an external company with limited liability in the Republic of South Africa under registration number 2011/008274/10)
Share code: BCK
ISIN: GB00B0W3NL87
("Blackstar")

UPDATE RELATING TO THE FIRM INTENTION OF BLACKSTAR TO MAKE AN OFFER TO ACQUIRE THE ENTIRE ISSUED SHARE CAPITAL OF MVELA GROUP BY WAY OF A SCHEME OF ARRANGEMENT ("Scheme") AND WITHDRAWAL OF CAUTIONARY

Shareholders of Mvela Group are referred to the SENS announcement dated 8 December 2011 ("Firm Intention Announcement"), whereby shareholders of Mvela Group were advised that Blackstar had made an offer to acquire the entire issued ordinary share capital of Mvela Group, excluding shares held by the subsidiaries of Mvela Group as treasury shares and the Mvela Group ordinary shares already held by Blackstar ("Target Shares"), by way of a scheme of arrangement in terms of section 114 of the Companies Act 71 of 2008, as amended.

It was a condition precedent to the Scheme that Mvela Group shareholders holding more than 20% of the Target Shares eligible to vote at the Scheme general meeting do not advise Mvela Group in writing of their objection to the Scheme and/or their intention to vote against any of the resolutions proposed at the Scheme general meeting.

Subsequent to the publication of the Firm Intention Announcement, Mvela Group shareholders holding more than 20% of the Target Shares eligible to vote at the Scheme general meeting have advised Mvela Group in writing of their intention to vote against the Scheme. Accordingly, Mvela Group will no longer be proposing the Scheme to Mvela Group shareholders.

The Mvela Group Independent Board accepts responsibility for the information contained in this announcement which relates to Mvela Group and confirms that, to the best of its knowledge and belief, such information which relates to Mvela Group is true and the announcement does not omit anything likely to affect the importance of such information.

The board of directors of Blackstar accept responsibility for the information contained in this announcement which relates to Blackstar and confirms that, to the best of its knowledge and belief, such information which relates to Blackstar is true and the announcement does not omit anything likely to affect the importance of such information.

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Mvela Group shareholders are referred to the cautionary announcement dated 21 October 2011, and its renewal on 8 December 2011, and are advised that as the Scheme will no longer be proposed to Mvela Group shareholders, caution is no longer required when dealing in Mvela Group securities.

Johannesburg & London
20 December 2011

Transaction advisor to Mvela Group: Java Capital (Pty) Limited
Sponsor to Mvela Group: Deutsche Securities (SA) (Proprietary) Limited
Legal advisor to Mvela Group: Cliffe Dekker Hofmeyr Inc.

Transaction advisor and sponsor to Blackstar: PSG Capital (Pty) Limited
Transaction advisor to Blackstar: Masazane Capital Holdings (Pty) Limited
Nomad to Blackstar: Liberum Capital Limited
Legal advisors to Blackstar: Edward Nathan Sonnenbergs Inc. and Werksmans Inc.
Banker to Blackstar: Investec Bank Limited