

Update on sale of energy and addendum to increase power sales

10 January 2013

Jubilee, the AIM and JSE quoted mine-to-metal specialist, is pleased to announce that its South African subsidiary Power Alt (Pty) Ltd ("Power Alt") achieved its targeted sales of 5.1MW of generated power into the South African national electricity grid under the Power Purchase Agreement ("PPA") announced on 08 August 2012.

In addition, the PPA's contracted power value has been increased to ZAR 50.1 million (approximately GBP4 million) per year and an option has been granted to Power Alt to increase the generated power for sale to 10MW, which has the potential to increase the CPV to ZAR 98 million (approximately GBP7 million) per year.

Highlights

Power Alt achieved its targeted sales of 5.1MW of electricity

The PPA's Contracted Power Value ("CPV") has been increased to ZAR 50.1 million per year (approximately GBP4 million) from ZAR 12.2 million (GBP870,000) for the initial trial period

An option has been granted to Power Alt to increase the Contracted Power Capacity ("CPC") to 10MW from 5.1 MW, which equates to an increase in the projected CPV to more than ZAR 98 million per year (approximately GBP7 million)

Funding of £1.3 million has been secured, in part towards the expansion of the Power Alt electrical grid, via a SEDA Advance pursuant to the SEDA Agreement announced on 15 March 2011. Under the SEDA Advance, 15 757 576 shares are being issued at a subscription price of £0.0825.

The SEDA advance will be used to both expedite the expansion of the Power Alt electrical grid to ensure the time-line as specified in an Addendum to the PPA (see below) is met for the delivery of 10MW of power, as well as providing funding towards bringing Platinum Australia's Phokothaba processing plant to operational readiness for the toll treatment of Jubilee's acquired Dilokong Chrome Mine tailings targeted for H1 2013.

Leon Coetzer, Chief Executive Officer of Jubilee, said: "The increased value of the PPA and the Addendum continue to build on the Company's earnings capability. The agreement will at full value ensure that Jubilee is a net seller of power based on the total power allocation of 16MW at the Middelburg operation. The agreement acts as a profitable offset to the continually increasing power costs in South Africa, which is a major cost component to the Company's smelting operations. The funding that has been secured ensures Jubilee can capture the full value offered through the Addendum to the PPA while simultaneously expediting the Dilokong Chrome mine tailings project to recover platinum, expected to commence processing within the first half of 2013. "

An addendum to the PPA ("Addendum") has extended the expiry term of the PPA by twelve months thereby increasing the PPA contract value to ZAR 50.1 million (approximately GBP 4 million) per year. The Addendum includes the further option to increase the sale of generated power to 10MW. To achieve an increase to 10MW capacity, Power Alt would have to invest a further ZAR 7.7 million (approximately GBP550,000) on associated cabling and electrical switchgear to upgrade the connection to the national electricity grid.

The increase in power sales under the Addendum to 10MW would ensure that Jubilee is a net seller of electricity compared to the electricity utilised for smelting. Jubilee has a total allocation of power of 16MW. The Addendum and its extension to the expiry term is subject inter alia to Power Alt securing the issuance and grant of all applicable regulatory consents and electricity generation licences in this regard and being able to deliver the 10MW power before April 2013.

Jubilee acquired a 51% position in Power Alt in 2011 to both secure electrical power for its smelting operations as well as target the sale of privately generated power in South Africa. The supply of electrical power in South Africa is experiencing severe constraints and is expected to remain so for a prolonged period. The revenue generated by the

sale of electricity at Power Alt would act as an effective offset to the cost of electricity used by Jubilee's smelting operations.

Jubilee is currently increasing its interest in Power Alt from 51% to 70% having made the first of three payments (see announcement dated 15 October 2012). As such the Company's current interest in Power Alt is 58.6%.

Under the toll processing agreement with Phokothaba, announced 9 October 2012, Jubilee has the exclusive right to process a targeted 40,000 to 50,000 tonnes of platinum-bearing tailings per month from the Dilokong Chrome mine to produce an estimated 1,600 oz 4E (platinum, palladium, rhodium and gold) in concentrate per month for an exclusive period of 8 months, with an option to extend the period on a non exclusive basis.

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