Lonmin Plc
4 Grosvenor Place
London SW1X 7YL
United Kingdom
T: +44 (0)20 7201 6000
F: +44 (0)20 7201 6100
www.lonmin.com

REGULATORY RELEASE

13 November 2012

Lonmin Urges Shareholders to Vote in Favour of the Rights Issue

The Board remains confident of the longer-term potential of Lonmin, with its high-quality asset base and long-term mining licences, and in the long-term fundamentals of the PGM industry. The Board's primary focus continues to be on preserving and enhancing value for all Lonmin shareholders and its various stakeholders, including more than 28,000 Lonmin employees, as well as the Company's Black Economic Empowerment partners. The Board remains clear that the interests of all Lonmin shareholders are best-served by securing the financial future of the Company at the earliest opportunity.

Last week Xstrata wrote to the Board of Lonmin stating that it was prepared to support the Rights Issue but on the condition that the Board publicly committed to ceding management control to Xstrata. This proposal was rejected by Lonmin, and in this context the Board wishes to emphasise the following points to shareholders before they vote on the Rights Issue at the General Meeting of the Company to be held on 19 November 2012 (the "General Meeting").

The importance of achieving financial certainty through the Rights Issue

Following the tragic Events at Marikana, the management of Lonmin negotiated Amended Facilities Agreements with the Company's lending banks. These, together with the fully underwritten Rights Issue, represent a comprehensive balance sheet restructuring which the Board is confident will place Lonmin on a sound financial footing for the future.

Achieving financial certainty for Lonmin through this process is conditional on a majority of shareholders voting in favour of the resolution at the General Meeting. The Board firmly believes that if the Rights Issue is not approved it will jeopardise the substantial inherent value in Lonmin's well-invested assets to the detriment of all stakeholders.

The urgency of completing the Rights Issue on the current timetable

The Amended Facilities Agreements are conditional, *inter alia*, on completion of the Rights Issue and receipt by the Company of at least US$700 million of net proceeds by 31 December 2012.

The Directors believe that without the Amended Facilities Agreements the Group may breach its banking covenants when they are next tested. A breach of any of the Group's covenants could result in events of default which would cause the Group's borrowings to become repayable on demand. As at 31 October 2012, the Group's net debt was approximately US$550 million (unaudited), and this number is forecast to rise further in the coming months as the successful ramp-up to normalised production levels continues.

In order to complete the Rights Issue by 31 December 2012, and so to ensure that the Amended Facilities Agreements come into effect, it is imperative that the General Meeting take place on 19 November 2012 and that the resolution authorising the Directors to allot new shares be passed.

Management actions since August 2012

The Board commends the current management team for doing a remarkable job in responding to the extraordinary set of circumstances which have affected Lonmin since August 2012. In this time, the management team has successfully managed a return to production following the Events at Marikana with the subsequent ramp up exceeding initial expectations, at the same time as executing a comprehensive debt and equity balance sheet restructuring to secure Lonmin's longer-term financial future.

The current management arrangements were put in place in response to Ian Farmer sadly having to step away from the business due to serious illness at a time when the Company was facing a momentous period in its history. The Board believes that the current arrangements are appropriate for the time being and are working well to stabilise the Company and bring production back to normal.

Consistent with corporate governance best practice the Board recognises that permanent appointments need to be made and is committed to taking the required process forward, including consultation with shareholders, as soon as the Rights Issue is concluded and the Company is on a secure financial footing.

Conclusion

As described in the Prospectus, if the Rights Issue does not proceed by 31 December 2012 and the Amended Facilities Agreements do not come into effect, the Company may be unable to comply with its financial covenants in future tests which may ultimately jeopardise its very future. Furthermore, the Board believes that failure to proceed with the Rights Issue would leave the Company in a highly vulnerable position in its discussions with its banking group and, potentially, in relation to Xstrata if it were to make a further proposal.

The Board wishes to confirm that, as in the past, it will consider any revised proposal that Xstrata wishes to make on its merits. In assessing any proposal the Board will seek to protect the interests of all shareholders. In particular the Board will continue to avoid any structure or process which undermines the financial stability of Lonmin and it will also fight to ensure that the economic terms of any transaction reflect the true value of the Company and an appropriate control premium, if relevant.

The Board therefore urges all shareholders to vote in favour of the resolution at the General Meeting. Those shareholders wishing to vote by proxy must lodge their form of proxy with the Company's registrar by no later than 5:00 p.m. (London time) or 7:00 p.m. (Johannesburg time) on 16 November 2012.

ENQUIRIES

Investors / Analysts:

Lonmin

Tanya Chikanza (Head of Investor Relations)	+27 11 218 8300 / +44 20 7201 6007
Ruli Diseko (Investor Relations Manager)	+27 11 218 8373

Media:

Cardew Group

James Clark / Emma Crawshaw	+44 20 7930 0777
Sue Vey	+27 72 644 9777

Brunswick - Johannesburg
Cecilia de Almeida +27 11 502 7400 / +27 83 325 9169

Notes

Capitalised terms which are not defined in this announcement have the meaning given to them in the Prospectus published by the Company in connection with the Rights Issue on 9 November 2012.

This announcement includes forward-looking statements within the meaning of the securities laws of certain jurisdictions. These forward-looking statements include, but are not limited to, statements other than statements of historical fact including without limitation, those regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. By their nature, forward-looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties to be set forth in the Prospectus, because they relate to events and depend on circumstances that may or may not occur in the future; actual events or results may differ materially from those expressed in or implied by these statements as a result of risks and uncertainties facing the Company and its subsidiaries. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement and the Company undertakes no duty to update any of them publicly in light of new information or future events, except to the extent required by applicable law, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules.

Notes to editors

Lonmin, which is listed on both the London Stock Exchange and the Johannesburg Stock Exchange, is one of the world's largest primary producers of PGMs. These metals are essential for many industrial applications, especially catalytic converters for internal combustion engine emissions, as well as their widespread use in jewellery.

Lonmin's operations are situated in the Bushveld Complex in South Africa, where nearly 80% of known global PGM resources are found.

The Company creates value for shareholders through mining, refining and marketing PGMs and has a vertically integrated operational structure - from mine to market. Lonmin's mining operations extract ore from which the Process Division produces refined PGMs for delivery to customers. Underpinning the operations is the Shared Services function which provides high quality levels of support and infrastructure across the operations.

For further information please visit our website: http://www.lonmin.com