
16 August 2012

Violence at Lonmin Operations – Update

Situation Update

Lonmin Plc (Lonmin or the Company) announces that the situation at its Marikana mines has remained relatively quiet since the morning of Wednesday 15 August but matters remain tense, following the deeply regrettable violence which began on Friday 10 August and which has claimed the lives of eight Lonmin workers and two policemen in a dispute between rival unions.

Lonmin welcomes the increased presence of the South African Police Services (SAPS) at the site of the mine, and is cooperating fully with the authorities to help restore a safe and secure environment for its employees as quickly as possible.

The striking Rock Drill Operators (RDOs) remain armed and away from work. This is illegal under the Labour Relations Act. Consequently, and in keeping with the terms of a Court Order granted to Lonmin on 11 August 2012, the illegal strikers have today (Thursday 16 August) been issued with a final ultimatum to return to work by their next shift on Friday 17 August or face dismissal.

In the meantime, shafts remain operational in readiness for production to commence when employees return to work.

Production Impact

As a result of the disruption, Lonmin has so far lost six days of mined production, representing approximately 300,000 tonnes of ore, or 15,000 Platinum equivalent ounces. Consequently, it is unlikely that Lonmin will meet its full year guidance of 750,000 saleable ounces of Platinum, although the extent of the variation from guidance will depend on the timing and speed with which normal operations can safely resume. Unit costs will be negatively impacted as well and as a result we expect the guidance of an 8.5% increase in unit costs for the full year to be exceeded. Further guidance will be given in due course.

Capital and Liquidity

In its third quarter production report published on July 26, 2012, Lonmin stated that net debt remains well within the limits and terms of its existing bank debt facilities. The Company continues

to monitor the position closely regarding the additional pressure which the current disruption to production may put on its bank debt covenants when they are next tested on 30 September.

- ENDS -

ENQUIRIES

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Notes to editors

About Lonmin:

1. 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 Platinum Group Metals (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 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>