

MEDIA RELEASE

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SOUTH32 TRANSFERS OWNERSHIP OF BAYSIDE CASTHOUSE TO ISIZINDA ALUMINIUM

South32 is pleased to confirm the official transfer of ownership of the Bayside casthouse to Isizinda Aluminium in a deal that will support the economic transformation of Richards Bay and development of South Africa's downstream aluminum industry.

The transfer to Isizinda Aluminium, a majority owned, Broad-Based Black Economic Empowerment consortium, is effective from 1 July 2015 and follows the ownership agreement signing in November 2014 by South32 Chief Executive Officer Graham Kerr.

"The sale of the casthouse reflects South32's vision of facilitating a larger downstream aluminium industry in South Africa," said Mr. Kerr.

"We look forward to working with Isizinda to actively study the potential for expansion of the VAP casthouse beyond its current capacity and the opportunity for establishment of other value-added product lines that can add scope and scale to the business."

The sale and transfer of ownership of the Bayside casthouse has now received all of the required regulatory approvals following the unconditional approval of the transaction by the South African Competition Tribunal in May 2015.

The agreement included the sale of the Bayside VAP casthouse, a R10bn liquid metal supply contract, 17 hectares of land, equipment and the adjacent buildings associated with the casthouse.

The sale follows the closure of the Bayside smelter, which was closed in June 2014. The casthouse has continued to operate with the supply of liquid metal from the adjacent South32-owned Hillside aluminium smelter. Under the arrangement, the Hillside smelter will continue to supply 96,000 tonnes of liquid metal per annum to the Bayside VAP casthouse.

Ends

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About South32

South32 Limited (ASX, LSE, JSE: S32) (**South32**) is a globally diversified metals and mining company with a portfolio of high quality, well maintained, cash generative assets producing bauxite, alumina, aluminium, thermal and metallurgical coal, manganese, nickel, silver, lead and zinc.

South32 is the world's largest producer of manganese ore and owns the world's largest silver mine. We run two high quality alumina refineries, modern, cost competitive aluminium smelters and one of the world's leading ferronickel operations.

The head office of South32 is located in Perth, Australia. Regional offices in Perth and Johannesburg, South Africa are supported by a global shared services centre in Johannesburg and a marketing hub based in Singapore. South32 has a workforce of approximately 27,000 people globally.

Further information on South32 can be found at: www.south32.net.

Hillside Aluminium Smelter

Hillside Aluminium is 100 per cent owned and operated by South32. It is located in Richards Bay in the South African province of KwaZulu-Natal. Hillside's capacity of approximately 720 kilotonnes per annum (ktpa) makes it the largest producer of primary aluminium ingot in the Southern Hemisphere.

Employing approximately 1,400 people, Hillside is one of the world's most advanced and efficient smelters that use Aluminium Pechiney technology. The operation produces high quality primary aluminum ingot for the export market and supplies 96,000 ktpa of liquid metal to a Broad-Based Black Economic Empowerment company, Isizinda Aluminium.

Hillside is managed through the South32 Africa Regional Office, located in Johannesburg.