

Kenmare Resources plc (“Kenmare” or “the Company”)

23 December 2016

Partial Award made by Tribunal in connection with Aveng Arbitration

As previously disclosed, Kenmare’s operating subsidiaries Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited (together, the “Project Companies”) have been engaged in arbitration proceedings with certain members of the Aveng Group (those members, together, “Aveng”) in relation to the performance and completion of certain engineering, procurement and construction management contracts entered into in connection with the expansion of the Moma facilities in 2010.

In the course of the arbitration, Aveng had claimed that it had been owed approximately ZAR 206 million, plus interest. The Project Companies had counterclaimed for compensation for losses resulting from Aveng’s contractual breaches substantially in excess of the amounts claimed by Aveng.

The arbitral tribunal has now made its award in relation to the merits of the case: the tribunal finds that Aveng was entitled in July 2013 to the amounts it has claimed but that Aveng caused the Project Companies substantial losses as well. However, the tribunal found that Aveng’s liability for such losses is capped at ZAR150 million under contractual limitations provisions. The net effect of the tribunal’s finding is that the Project Companies are required to make a payment of approximately ZAR56 million to Aveng, plus interest accrued. Kenmare estimates that the total payment required to be made by the Project Companies under the award is approximately US\$5 million. The Project Companies will be able to meet the award from existing cash resources of the Group. Costs of the arbitration will be the subject of further proceedings and a separate award.

Kenmare Managing Director Michael Carvill commented: “Whilst we are naturally disappointed that the Project Companies are required to make payment to Aveng, we welcome the tribunal’s endorsement of our position that Aveng caused significant losses to the Project Companies. We also note that the net amount payable on the merits of the case is significantly less than the amount claimed by Aveng and the US\$19.4 million accrued in respect of these amounts on the Group’s balance sheet.”

This announcement contains inside information.

For further information, please contact:

Kenmare Resources plc

Michael Carvill, Managing Director
Tel: +353 1 671 0411
Mob: + 353 87 674 0110

Tony McCluskey, Financial Director
Tel: +353 1 671 0411
Mob: + 353 87 674 0346

Jeremy Dibb, Corporate Development and Investor Relations Manager
(the person responsible for arranging the release of this announcement)
Tel: +353 1 671 0411
Mob: + 353 87 943 0367

Murray

Joe Heron / Aimee Beale

Tel: +353 1 498 0300

Mob: +353 87 690 9735

Buchanan

Bobby Morse / Chris Judd

Tel: +44 207 466 5000

Directors: Steven McTiernan (Chairman), Sofia Bianchi, Michael Carvill, Terence Fitzpatrick, Elizabeth Headon, Tim Keating, Graham Martin, Tony McCluskey, Gabriel Smith. **Secretary:** Deirdre Corcoran

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