

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

*This document does not constitute an invitation to participate in the Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws. The distribution of this document in certain jurisdictions (in particular, Belgium, Germany, Hong Kong, Italy, Switzerland, Singapore, Republic of South Africa and United Kingdom) may be restricted by law. See "Certain Legal Restrictions" below. Persons into whose possession this document comes are required by each of the Republic of South Africa and the Dealer Managers to inform themselves about, and to observe, any such restrictions.*



# Republic of South Africa

## Offer to Purchase Notes for Cash

This offer (the "Offer") to purchase for cash the outstanding Notes of the Republic of South Africa ("South Africa") set forth in the table below (collectively, the "Old Notes" and each Old Note, a "series" of Old Notes) is made on the terms and subject to the conditions set forth in this Offer (the "Offer Document"), including the offering (but not the closing) of new notes of South Africa due 2028 (the "2028 Notes") and new notes of South Africa due 2046 (the "2046 Notes" and, together with the 2028 Notes, the "New Notes") in an amount, with pricing and on terms and conditions acceptable to South Africa, expected to be priced on Thursday, September 29, 2016 (the "New Notes Offering"). South Africa will determine in its sole discretion the aggregate Purchase Price (as defined below) to be paid for Old Notes to be acquired in the Offer (the "Maximum Purchase Amount"). The New Notes Offering will be made solely by means of a prospectus relating to that offering, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy any New Notes. The Offer is not conditioned upon any minimum participation of any series of Old Notes or on the closing of the New Notes Offering, but is conditioned on the pricing of the New Notes and upon the underwriting agreement relating to the New Notes Offering and the dealer manager agreement relating to this Offer (the "Dealer Manager Agreement") not being terminated prior to or at the time of the settlement of the Offer.

The Billing and Delivering Bank (as defined herein) will pay a purchase price per US\$1,000 principal amount of Old Notes of each series that are accepted pursuant to the Offer equal to the fixed price indicated in the table below (the "Purchase Price"), in each case together with Accrued Interest (as defined herein). **Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.** Tender Orders that are not for Permitted Tender Amounts (as defined herein) will not be accepted.

Old Notes	Outstanding Principal Amount as of Wednesday, September 28, 2016	ISIN	CUSIP	Common Code	Purchase Price (per US\$1,000 Principal Amount)	Purchase Price (%)
6.875% Notes due 2019 ("2019 Notes")	2,000,000,000	US836205AM61	836205AM6	043079344	US\$1,125.00	112.500
5.500% Notes due 2020 ("2020 Notes")	2,000,000,000	US836205AN45	836205AN4	049339453	US\$1,097.50	109.750

Valid tenders made in accordance with the terms and conditions of the Offer ("Tender Orders") may be subject to proration. Tender Orders made by holders who have submitted an equivalent-sized Indication of Interest (as defined herein) for 2028 Notes prior to the determination of the pricing terms for the New Notes Offering will be accepted before any other Tender Orders.

Prior to 8:00 a.m., London time, on Friday, September 30, 2016, or as soon as possible thereafter, South Africa expects (i) to instruct the Billing and Delivering Bank to accept, subject to proration and other terms and conditions described herein, valid Preferred Tenders (as defined herein) and valid Non-Preferred Tenders (as defined herein) and (ii) to announce the Maximum Purchase Amount, the aggregate principal amount of Preferred Tenders and Non-Preferred Tenders of each series of Old Notes that has been accepted, and whether any Preferred Tenders and Non-Preferred Tenders will be prorated.

**THE OFFER WILL COMMENCE AT 8:00 A.M., LONDON TIME, ON THURSDAY, SEPTEMBER 29, 2016, AND, UNLESS EXTENDED OR EARLIER TERMINATED, EXPIRE AT 4:00 P.M., LONDON TIME ON THURSDAY, SEPTEMBER 29, 2016. SEE "THE OFFER – TENDER OFFER PROCEDURES".**

You may place Tender Orders for your Old Notes through any of the Dealer Managers (as defined herein) only. You will NOT be able to submit tenders through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), Clearstream Banking, société anonyme, Luxembourg ("Clearstream"), or the Depository Trust Company ("DTC") systems. HSBC Bank plc, as the billing and delivering bank (in such capacity, the "Billing and Delivering Bank"), will consolidate all Tender Orders and accept Old Notes for purchase pursuant to the Offer in such amounts as South Africa shall determine. Old Notes accepted for purchase will be settled on a delivery versus payment basis solely with the Billing and Delivering Bank on the Settlement Date (as defined herein), in accordance with customary brokerage practices for corporate fixed income securities.

If you hold Old Notes through DTC, they must be delivered for settlement no later than 3:00 p.m., New York time, on the Settlement Date. If you hold Notes through Euroclear or Clearstream, the latest process you can use to deliver your Notes is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process. Failure to deliver Old Notes on time may result in the cancellation of your Tender Order. This Offer will not be eligible for the DTC Automated Tender Offer Program.

This Offer Document does not constitute an offer to buy or a solicitation of an offer to sell any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The Offer is being made only in those jurisdictions where it is legal to do so. See "Jurisdictional Restrictions."

*The Dealer Managers for the Offer are:*

**Barclays**

**HSBC**

**J.P. Morgan**

**Nedbank**

*The Billing and Delivering Bank for the Offer is:*

**HSBC**

The date of this Offer Document is Wednesday, September 28, 2016

## IMPORTANT NOTICE

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the Offer Document, whether received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached document. In accessing the Offer Document, you agree to be bound by the following terms and conditions, including any modifications made to them from time to time, each time you receive any information from us at any time. Capitalized terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Offer Document.

The Offer Document should not be forwarded or distributed to any other person and should not be reproduced in any manner whatsoever. Failure to comply with these instructions may result in a violation of the applicable laws and regulations of the United States or other jurisdictions.

**Confirmation of your representation:** By accessing the Offer Document you shall be deemed to have represented to South Africa, the Dealer Managers, the Billing and Delivering Bank and the Information Agent, that:

- (i) you are a holder or a beneficial owner of Old Notes;
- (ii) you are not a person to whom it is unlawful to send the attached Offer Document or to make the Offer to under applicable laws and regulations including those outlined in the section entitled "Jurisdictional Restrictions;"
- (iii) you have made all the representations of this Offer Document. See "**Holders' Representations, Warranties and Undertakings;**"
- (iv) you are not located or resident in the United Kingdom or, if you are located or resident in the United Kingdom, you are a person falling within the definition of investment professional (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order")), or a high net worth company or another person to whom this Offer may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, or a person to whom this Offer Document may lawfully be communicated in accordance with the Order; and
- (v) you consent to delivery of the Offer Document to you by electronic transmission.

The Offer Document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent or any person who controls, or is a director, officer, employee or agent, of any of them, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Offer Document distributed to you in electronic format and the hard copy version available to you on request from the Information Agent at the address specified on the back cover of the Offer Document.

You are reminded that the Offer Document has been delivered to you on the basis that you are a person into whose possession the Offer Document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorized to, deliver, transmit, forward or otherwise distribute the Offer Document, directly or indirectly, to any other person.

The materials relating to the offering to which the Offer Document relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and one of the Dealer Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate in that jurisdiction.

Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would be unlawful. Securities may not be offered or sold in the United States absent registration or an exemption from registration, and any public offering of securities to be made in the United States will be made by means of a prospectus. In particular, the New Notes Offering will be made

solely by means of a prospectus relating to that offering, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Notes.

Neither the communication of this Offer Document nor any other offer material relating to the Offer is being made, and this Offer Document has not been approved, by an authorized person for the purposes of section 21 of the UK Financial Services and Markets Act 2000. Accordingly, this Offer Document is not being distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, the communication of this Offer Document as a financial promotion is being made to, and is directed only at: (a) persons outside the United Kingdom; (b) those persons falling within the definition of Investment Professionals (contained in Article 19(5) of the Order), or (c) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; or (d) any person to whom it may otherwise lawfully be made in accordance with the Order (such persons together being “relevant persons”.) **This Offer Document is only available to relevant persons and the transactions contemplated herein will be available only to, or engaged in only with relevant persons, and this financial promotion must not be relied or acted upon by persons other than relevant persons.**

You must comply with all laws that apply to you in any place in which you possess this Offer Document. You must also obtain any consents or approvals that you need in order to accept this Offer and tender Old Notes. None of South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent is responsible for your compliance with these legal requirements. It is important that you read “Jurisdictional Restrictions” beginning on page 22 of this document.

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## CERTAIN OFFER MATTERS

Any questions regarding the Offer may be directed to Global Bondholder Services Corporation, the information agent (the "Information Agent"), at the telephone numbers provided on the back cover of this Offer Document. Holders may also contact Barclays Bank PLC ("Barclays"), HSBC Bank plc ("HSBC"), J.P. Morgan Securities plc ("J.P. Morgan") and Nedbank Limited ("Nedbank") (collectively, the "Dealer Managers") at the telephone numbers provided on the back cover of this Offer Document for information concerning the Offer.

None of South Africa, the Dealer Managers or the Billing and Delivering Bank will pay any commissions or other remuneration to any broker, dealer, salesman or other person for soliciting tenders of Old Notes. Tendering holders will not be obligated to pay the fees of the Dealer Managers, the Billing and Delivering Bank and the Information Agent; however, such holders may be required to pay a fee or commission to their broker or intermediary through whom the Old Notes are tendered.

South Africa is responsible only for the information provided or incorporated by reference in this document. South Africa, the Dealer Managers and the Billing and Delivering Bank have not authorized anyone else to provide you with different information.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Offer Document and, if given or made, such information or representations must not be relied upon as having been authorized by South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent and none of South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent takes any responsibility for information that others may give to you.

South Africa is furnishing this Offer Document solely for use by current holders of Old Notes in the context of the Offer. South Africa confirms that:

- the information contained in this Offer Document is true and correct in all material respects and is not misleading;
- it has not omitted other facts the omission of which makes this Offer Document as a whole misleading; and
- it accepts responsibility for the information it has provided in this Offer Document.

Before you decide to participate in the Offer, you should read this Offer Document together with the documents incorporated by reference herein.

The information contained in this Offer Document and the information incorporated by reference herein is current only as of its respective date or on other dates which are specified in those documents. Neither the delivery of this Offer Document nor any purchase made hereunder shall, under any circumstances, create any implication that the information in this Offer Document or the information incorporated by reference herein is correct as of any time subsequent to the date hereof or thereof or other dates which are specified herein or therein, or that there has been no change in the affairs of South Africa since such dates.

**Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.** South Africa, however, has agreed to apply a portion of the net proceeds of the New Notes Offering to purchase any Old Notes tendered and accepted in the Offer from the Billing and Delivering Bank upon the closing of the New Notes Offering. South Africa intends to cancel the Old Notes it acquires from the Billing and Delivering Bank following the completion of the Offer. Accordingly, upon completion of the sale of the Old Notes to South Africa, the aggregate principal amount of Old Notes that otherwise might trade in the market will be reduced, which could adversely affect the liquidity and market value of the remaining Old Notes that are not purchased in the Offer.

None of South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent has expressed any opinion as to whether the terms of the Offer are fair. None of South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent makes any recommendation that you tender your Old Notes or refrain from doing so pursuant to the Offer, and no one has been authorized by South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent to make any such recommendation. You must make your own decision as to whether to tender Old Notes or refrain from doing so, and, if so, the principal amount of Old Notes to tender.

You must comply with all laws that apply to you in any place in which you possess this Offer Document. You must also obtain any consents or approvals that you need in order to accept this Offer and tender Old Notes. None of South Africa, the Dealer Managers, the Billing and Delivering Bank or the Information Agent is responsible for your compliance with these legal requirements. It is important that you read “Jurisdictional Restrictions” beginning on page 22 of this document. The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offer in, from, or otherwise involving, the United Kingdom.

South Africa has prepared this Offer Document and is solely responsible for its contents. You are responsible for making your own examination of South Africa and your own assessment of the merits and risks of participating in the Offer. By tendering your Old Notes, you will be deemed to have acknowledged that:

- you have reviewed this Offer Document;
- you have had an opportunity to request and review any additional information that you may need; and
- the Dealer Managers and the Billing and Delivering Bank are not responsible for, and are not making any representation to you concerning, the accuracy or completeness of this Offer Document.

South Africa, the Dealer Managers and the Billing and Delivering Bank are not providing you with any legal, business, tax or other advice in this Offer Document. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to accept the Offer and submit tenders of Old Notes.

As used in this Offer Document, “Business Day” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City. References herein to “US\$,” “U.S. dollars” or “dollars” are to United States dollars.

### **Jurisdiction; Enforcement of Judgments**

South Africa is a foreign sovereign government. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in the United States against South Africa. South Africa will irrevocably submit to the jurisdiction of the Federal and State courts in The City of New York, and will irrevocably waive any immunity from the jurisdiction (including sovereign immunity but not any immunity from execution or attachment or process in the nature thereof) of such courts and any objection to venue, in connection with any action arising out of or based upon the Old Notes or the New Notes brought by any holder of Old Notes or New Notes. South Africa reserves the right to plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 (the “Immunities Act”) with respect to actions brought against it under United States federal securities laws or any state securities laws. In the absence of a waiver of immunity by South Africa with respect to such actions, it would not be possible to obtain a U.S. judgment in such an action against South Africa unless a court were to determine that South Africa is not entitled under the Immunities Act to sovereign immunity with respect to such action. Enforceability in South Africa of final judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the United States federal securities laws is subject, among other things, to the absence of a conflicting judgment by a South African court or of an action pending in South Africa among the same parties and arising from the same facts and circumstances and to the South African courts’ determination that the U.S. courts had jurisdiction, that process was appropriately served on the defendant and that enforcement would not violate South African public policy. In general, the enforceability in South Africa of final judgments of U.S. courts obtained

other than by default would not require retrial in South Africa. In original actions brought before South African courts, there is uncertainty as to the enforceability of liabilities based on United States federal securities laws. The South African courts may enter and enforce judgments in foreign currencies.

### **Forward-Looking Statements**

This Offer Document contains certain forward-looking statements within the meaning of Section 27A of the Securities Act. Statements that are not historical facts, including statements with respect to certain of the current expectations, plans and objectives of South Africa and the economic, monetary and financial conditions of the Republic, are forward-looking in nature. These statements may be made expressly in this Offer Document or may be in other documents South Africa refers you to or has filed with the SEC. You can find many of these statements by looking for words such as “believes,” “expects,” “anticipates,” “estimates,” or similar expressions used in this Offer Document or documents to which South Africa refers you.

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties that may cause South Africa’s actual results to be materially different from any future results expressed or implied by the Republic in those statements. Such factors include, but are not limited to:

- external factors, such as interest rates in financial markets outside South Africa and social and economic conditions in South Africa’s neighbors and major export markets; and
- internal factors, such as general economic and business conditions in South Africa, present and future exchange rates of the Rand, foreign currency reserves, the ability of South Africa to enact key reforms, the level of domestic debt, domestic inflation, the level of foreign direct and portfolio investment and the level of South African domestic interest rates.

### **Governing Law**

This Offer and any tenders shall be governed by and interpreted in accordance with the laws of the State of New York, United States of America.

## **CERTAIN LEGAL RESTRICTIONS**

The distribution of materials relating to this Offer Document, and the transactions contemplated by the Offer, may be restricted by law in certain jurisdictions. The Offer is made only in those jurisdictions where it is legal to do so. The Offer is void in all jurisdictions where it is prohibited. If materials relating to the Offer come into your possession, you are required to inform yourself of and to observe all of these restrictions. The materials relating to the Offer do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. See “—Jurisdictional Restrictions.”



## SUMMARY TIME SCHEDULE AND PROCEDURES OF THE OFFER

*The following summarizes the anticipated time schedule for the Offer assuming, among other things, that the determination of the pricing terms for the New Notes Offering occurs on or prior to the time of expiration of the Offer and the time of expiration of the Offer is not extended. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offer Document. All references are to London time unless otherwise noted.*

Wednesday, September 28, 2016.....	South Africa simultaneously announces the Offer via a press release to an international news service and Luxembourg Stock Exchange notice and distributes the Offer Document.
8:00 a.m. through 4:00 p.m. on Thursday, September 29, 2016, unless extended or earlier terminated (the “Tender Period”) .....	You may only place orders to tender Old Notes with a Dealer Manager during this period. <b>This is the only way you may tender into the Offer. See “The Offer – Tender Procedures.”</b>
On or about 4:00 p.m. on Thursday, September 29, 2016, subject to change without notice (the “New Notes Pricing Time”) .....	South Africa announces the pricing terms for the New Notes Offering.
4:00 p.m. on Thursday, September 29, 2016, unless extended or earlier terminated (the “Expiration Time”) .....	The Offer expires. In the event that the Offer is extended or earlier terminated, the term “Expiration Time” shall mean the time and date on which the Offer, as so extended or earlier terminated, shall expire.
Prior to 8:00 a.m. on Friday, September 30, 2016, or as soon as possible thereafter .....	South Africa expects (i) to instruct the Billing and Delivering Bank to accept, subject to proration and other terms and conditions described herein, valid Preferred Tenders and valid Non-Preferred Tenders and (ii) to announce the Maximum Purchase Amount, the aggregate principal amount of Preferred Tenders and Non-Preferred Tenders of each series of Old Notes that has been accepted, and whether any Preferred Tenders and Non-Preferred Tenders will be prorated.
During Friday, September 30, 2016.....	Holder whose Tender Orders are accepted for purchase book settlement tickets with the Billing and Delivering Bank or, if such tendering holders do not have an account with the Billing and Delivering Bank, through the Dealer Manager with which such holder placed a Tender Order. See “The Offer – Settlement”.
Thursday, October 6, 2016, subject to change without notice (the “Settlement Date”).....	Subject to pricing of the New Notes Offering and the other terms and conditions set forth herein, and subject to any proration applicable to Tender Orders, the Billing and Delivering Bank will settle purchases of Old Notes that were accepted for purchase. Old Notes accepted for purchase will be settled on a delivery versus payment basis in such amounts as previously announced by South Africa. <b>If you hold Old Notes through DTC, they must be delivered for settlement no later than 3:00 p.m., New York time, on the Settlement Date. If you hold Old Notes through Euroclear or Clearstream, the latest process you can use to deliver your Old Notes to the Billing and Delivering Bank is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process. The</b>

**Billing and Delivering Bank shall not be liable for payments to any holder of Old Notes validly tendered and accepted for purchase if such holder fails to deliver such Old Notes on or prior to the settlement of the Offer as described herein. Failure to deliver Old Notes on time may result in (i) the cancellation of your tender and in you becoming liable for any damages resulting from that failure and/or (ii) in the case of Preferred Tenders, cancellation of any allocation of 2028 Notes in the New Notes Offering in respect of your related Indication of Interest (as defined below) and/or (iii) in the case of Preferred Tenders, in the cancellation of your tender and in your remaining obligation to purchase your allocation of 2028 Notes in respect of your related Indication of Interest and/or (iv) in the delivery of a buy-in notice for the purchase of such Old Notes, executed in accordance with customary brokerage practices for corporate fixed income securities.**

**South Africa will make (or cause to be made) all announcements regarding the Offer to an international news service and by means of a notice on the Luxembourg Stock Exchange. See “The Offer—Communications.” South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.**

## SUMMARY

*This summary highlights information contained elsewhere in this Offer Document. It is not complete and may not contain all the information that you should consider before tendering Old Notes for cash. You should read the entire Offer Document.*

### The Offer

**General** ..... This Offer is to purchase Old Notes for cash such that the aggregate Purchase Price to be paid for the Old Notes is equal to the Maximum Purchase Amount. The Maximum Purchase Amount will be determined by South Africa in its sole discretion and will be announced prior to 8:00 a.m. on Friday, September 30, 2016, London time, or as soon as possible thereafter. The Offer is made subject to the terms and conditions set forth in this Offer Document, including the pricing of the New Notes Offering in an amount, with pricing and on terms and conditions acceptable to South Africa, and upon the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer not having been terminated prior to or at the time of the settlement of the Offer. The Offer is not conditioned upon any minimum participation of any series of Old Notes or on the closing of the New Notes Offering. For a more detailed discussion, see “The Offer.”

**Resale of Accepted Old Notes to South Africa** ..... South Africa has agreed to apply a portion of the net proceeds of the New Notes Offering to purchase the Old Notes accepted pursuant to the Offer from the Billing and Delivering Bank at the applicable Purchase Price plus accrued interest. Such purchase by South Africa is expected to occur on the date of issuance of the New Notes.

The New Notes Offering will be made solely by means of a prospectus relating to that offering, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Notes.

**Purchase Price of Old Notes** ..... The Purchase Price to be paid by the Billing and Delivering Bank per US\$1,000 principal amount of Old Notes of each series that are accepted pursuant to the Offer will be the fixed price indicated in the table on the cover of this Offer Document.

**Accrued Interest** ..... In addition to the Purchase Price, holders whose Old Notes are accepted for purchase by South Africa will also receive accrued and unpaid interest with respect to their tendered Old Notes from, and including, the last interest payment date for such Old Notes to, but not including, the Settlement Date (“Accrued Interest”). Accrued Interest will be payable in cash on the Settlement Date.

**Tender Period** ..... Holders may place orders to tender Old Notes only during the period that commences at 8:00 a.m., London time, Thursday, September 29, 2016, and expires at 4:00 p.m. on Thursday, September 29, 2016 unless extended or earlier terminated by South Africa in its sole discretion.

**Submitting Tenders and Tender Orders** ..... Tender Orders must be submitted to a Dealer Manager. Tender

Orders by a holder of each series of Old Notes must be in principal amounts of at least US\$100,000 and integral multiples of US\$1,000 in excess thereof of each series of Old Notes (“Permitted Tender Amounts”).

If you have an account with a Dealer Manager and desire to tender your Old Notes, you should call your regular contact at the Dealer Manager at any time during the Tender Period (which will commence at 8:00 a.m., London time, on Thursday, September 29, 2016, and expire at 4:00 p.m. on Thursday, September 29, 2016 unless extended or earlier terminated by South Africa in its sole discretion). You will not be required to pay any fees or commission to a Dealer Manager in connection with a tender of Old Notes.

If you do not have an account with a Dealer Manager, and desire to tender your Old Notes, you may do so through any broker, dealer, commercial bank, trust company, other financial institution or other custodian, that you customarily use. Your broker must contact one of the Dealer Managers at its phone number set forth on the inside back cover of this Offer Document, at any time during the Tender Period (which shall commence at 8:00 a.m., London time, on Thursday, September 29, 2016, and expire at 4:00 p.m. on Thursday, September 29, 2016 unless extended or earlier terminated by South Africa in its sole discretion). You may be required to pay a fee or commission to your broker or intermediary through whom Old Notes are tendered.

**You must submit Tender Orders to one Dealer Manager only. Do not tender any Old Notes more than once.**

**There is no letter of transmittal for the Offer.**

**You will NOT be able to submit tenders through the Euroclear, Clearstream or DTC systems.**

**Do not send Old Notes to South Africa.**

**Withdrawals**..... Holders of the Old Notes will not have withdrawal rights with respect to the Offer.

**New Notes Price Determination Time**..... The pricing terms of the New Notes will be determined by South Africa at the New Notes Pricing Time, unless extended by South Africa. South Africa will announce the pricing terms for the New Notes on or about 4:00 p.m., London time, on Thursday, September 29, 2016.

**Announcement of Accepted Preferred Tenders and Non-Preferred Tenders**..... South Africa will announce the aggregate principal amount of Preferred Tenders and, if any, Non-Preferred Tenders of each series of Old Notes that has been accepted and whether any proration of such Preferred Tenders or Non-Preferred Tenders has occurred prior to 8:00 a.m., London time, on Friday, September 30, 2016 or as soon as possible thereafter, by issuing a press release to an international news service and a notice to the Luxembourg Stock Exchange.

**Acceptance of Tenders** ..... South Africa will instruct the Billing and Delivering Bank to accept valid tenders of Old Notes for purchase in such amounts as South

Africa shall determine (subject to the terms and conditions of the Offer, including potential proration). Old Notes will be accepted for purchase at such time as the Billing and Delivering Bank and a tendering holder (or, if such tendering holder does not have an account with the Billing and Delivering Bank, through a Dealer Manager) execute a transaction for the sale of Old Notes in accordance with customary brokerage practices for corporate fixed income securities (i.e., a “desk to desk” or “broker to broker” trade). **Tender Orders that are accepted will be settled solely by the Billing and Delivering Bank on the Settlement Date, subject to the terms and conditions of the Offer.** Each of South Africa and the Billing and Delivering Bank reserves the right, in the sole discretion of each of them, not to accept any tenders for any reason.

All Old Notes that are tendered pursuant to Tender Orders placed through a Dealer Manager and are accepted by South Africa will be purchased by the Billing and Delivering Bank directly or, if the tendering holder does not have an account with the Billing and Delivering Bank, through the respective Dealer Manager, in such amounts as South Africa shall determine. **Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.** The Billing and Delivering Bank shall not be liable for payments to any holder of Old Notes validly tendered and accepted for purchase if such holder fails to deliver such Old Notes on or prior to the settlement of the Offer on the Settlement Date as described herein.

**Old Notes Minimum Denominations .....**

**Minimum Denominations**

Old Notes	Minimum Denominations
2019 Notes	US\$100,000 and integral multiples of US\$1,000 in excess thereof.
2020 Notes	US\$100,000 and integral multiples of US\$1,000 in excess thereof.

To avoid acceptance and purchases of Old Notes in principal amounts other than Minimum Denominations and to ensure that Old Notes subject to proration are returned in Minimum Denominations, if necessary, appropriate adjustments will be made downward to the nearest Minimum Denominations, with respect to each Tender Order accepted for purchase. Holders who tender less than all of their Old Notes, must continue to hold Old Notes in Minimum Denominations.

**Proration .....**

Tender Orders may be subject to proration. Tender Orders made by holders who have submitted an Indication of Interest for 2028 Notes (each, a “New Requestor”) prior to the New Notes Pricing Time will be accepted up to each New Requestor’s Tender Preference Amount (as defined below), before any Tender Orders are accepted from

holders who are not New Requestors.

“Indication of Interest” means the submission to the underwriters of the New Notes Offering, during the bookbuilding process for the New Notes Offering, of a firm bid for a principal amount certain of 2028 Notes at an indicated price.

With respect to each series of Old Notes, the “Tender Preference Amount” for each New Requestor means the Individual Gross Proceeds (as defined below) of 2028 Notes specified in an Indication of Interest of such New Requestor, as allocated among each series of Old Notes *pro rata* based upon the relative total Purchase Price of the Old Notes of each series that are tendered by such New Requestor. Accrued interest is paid in cash.

Each New Requestor tendering Old Notes of any series shall be deemed to represent to South Africa, the Dealer Managers and the Billing and Delivering Bank that such New Requestor held, from the time of the Tender Order through the Expiration Time, at least the amount of Old Notes of each such series as are being tendered.

“Individual Gross Proceeds” means the issue price of the 2028 Notes multiplied by the principal amount thereof for each New Requestor.

With respect to each series of Old Notes, “Preferred Tenders” means the Tender Orders of each New Requestor that are submitted prior to the New Notes Pricing Time, up to an amount of Tender Orders having an aggregate Purchase Price equal to such New Requestor’s Tender Preference Amount with respect to such series.

With respect to each series of Old Notes, “Non-Preferred Tenders” means the Tender Orders which are not Preferred Tenders, including any Tender Orders submitted by holders who are not New Requestors or any Tender Orders submitted after the New Notes Pricing Time and before the Expiration Time (to the extent the New Notes Pricing Time is prior to the Expiration Time).

If the aggregate Purchase Price of all Tender Orders exceeds the Maximum Purchase Amount, the Tender Orders shall be subject to proration on the following basis:

1. If the aggregate Purchase Price of all Preferred Tenders exceeds the Maximum Purchase Amount, then each New Requestor shall have its Preferred Tenders for each series of Old Notes prorated down, proportionate to the relative size of such New Requestor’s Preferred Tenders of that series of Old Notes to all Preferred Tenders, so that the aggregate Purchase Price of all Preferred Tenders equals the Maximum Purchase Amount. In such a case, no Non-Preferred Tenders will be accepted.
2. If the aggregate Purchase Price of all Preferred Tenders is less than or equal to the Maximum Purchase Amount then (i) all Preferred Tenders shall be accepted and (ii) each tendering holder shall have its Non-Preferred Tenders for

each series of Old Notes prorated down, proportionate to the relative size of each such holder's Non-Preferred Tenders of that series of Old Notes to all Non-Preferred Tenders.

Subject to the foregoing, South Africa may, at its sole discretion, instruct the Billing and Delivering Bank to adjust the foregoing so as to prorate differentially to each respective series of Old Notes (prioritizing one or more such series).

To the extent proration occurs in the Offer, the Billing and Delivering Bank will accept Old Notes with appropriate adjustments to avoid purchase of the Old Notes in principal amounts other than Minimum Denominations.

All Old Notes not accepted as a result of proration will be rejected and not purchased pursuant to the Offer.

**Settlement**.....

Subject to the pricing of the New Notes Offering and the other conditions set forth herein, the Billing and Delivering Bank will purchase directly or, if the tendering holder does not have an account with the Billing and Delivering Bank, through the respective Dealer Manager, validly tendered and accepted Old Notes in such amounts determined as described herein, on a delivery versus payment method on Thursday, October 6, 2016, subject to change without notice (the "Settlement Date"). **Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.**

**If you hold Old Notes through DTC, they must be delivered for settlement no later than 3:00 p.m., New York time, on the Settlement Date. If you hold Old Notes through Euroclear or Clearstream, the latest process you can use to deliver your Old Notes to the Billing and Delivering Bank is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process.**

**Failure to deliver Old Notes on time may result in (i) the cancellation of your tender and in you becoming liable for any damages resulting from that failure and/or (ii) in the case of Preferred Tenders, cancellation of any allocation of 2028 Notes in the New Notes Offering in respect of your related Indication of Interest and/or (iii) in the case of Preferred Tenders, in the cancellation of your tender and in your remaining obligation to purchase your allocation of 2028 Notes in respect of your related Indication of Interest and/or (iv) in the delivery of a buy-in notice for the purchase of such Old Notes, executed in accordance with customary brokerage practices for corporate fixed income securities.**

**Conditions to the Offer**.....

South Africa reserves the right, in its sole discretion, to instruct the Billing and Delivering Bank not to accept any Tender Orders, or to accept Tender Orders as to one or more series of Old Notes but not

other series, for any reason. In addition, notwithstanding any other provisions of the Offer, the Offer is conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that: (1) makes or seeks to make illegal the purchase of Old Notes pursuant to the Offer; (2) would or might result in a delay in, or restrict, the ability of South Africa to purchase the Old Notes from the Billing and Delivering Bank or issue the New Notes; or (3) imposes or seeks to impose limitations on the ability of South Africa to issue and/or price the New Notes in an amount, with pricing and on terms and conditions acceptable to South Africa.

The Offer is also conditioned upon the pricing of the New Notes Offering, including in an amount, with pricing and on terms and conditions acceptable to South Africa, and upon the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer not having been terminated prior to or at the time of the settlement of the Offer. Each of the foregoing conditions is for the sole benefit of South Africa and may only be waived by South Africa, in whole or in part, at any time and from time to time, in its discretion except that South Africa can only waive the condition relating to the termination of the underwriting agreement for the New Notes Offering and the termination of the Dealer Manager Agreement relating to this Offer with the prior consent of the Billing and Delivering Bank. Any determination by South Africa concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer) will be final and binding upon the Billing and Delivering Bank and all other parties. The Billing and Delivering Bank will not be liable for the payment for any Old Notes pursuant to the Offer if the Dealer Manager Agreement relating to this Offer or the underwriting agreement for the New Notes Offering shall have been terminated prior to or at the time of the settlement of the Offer.

**Certain Deemed Representations,**

**Warranties and Undertakings**..... If you tender pursuant to the terms of the Offer, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to South Africa, the Dealer Managers, the Billing and Delivering Bank and the Information Agent. See “Holders’ Representations, Warranties and Undertakings.”

**Taxation**..... Please see “Taxation” for important information regarding the possible tax consequences to holders who offer to tender Old Notes. You are also urged to consult your own professional advisors regarding the possible tax consequences under the laws of jurisdictions that apply to you or to the sale of your Old Notes.

**Jurisdictions** ..... **The Offer is made only in those jurisdictions where it is legal to do so.** See “Jurisdictional Restrictions.”

**Risk Factors** ..... The Offer involves material risks. Please see “Risk Factors” for more information.



**Announcements**..... South Africa will make (or cause to be made) all announcements regarding the Offer to an international news service and to the Luxembourg Stock Exchange.

See “The Offer—Communications.”

## RISK FACTORS

In deciding whether to participate in the Offer, each holder should consider carefully, in addition to the other information contained in this document, the following:

**Limited Trading Market; Increased Volatility.** To the extent that Old Notes are purchased by South Africa from the Billing and Delivering Bank after completion of the Offer and closing of the New Notes Offering, the trading markets for the Old Notes that remain outstanding will become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller float) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Old Notes not purchased may be affected adversely to the extent the amount of Old Notes purchased by South Africa reduces the float of the Old Notes. On the other hand, if South Africa's purchase of the Old Notes is viewed by the market as significant positive news due to its potential beneficial impact on South Africa's external liabilities, the price of the Old Notes could rise following completion of the Offer to a level greater than the applicable Purchase Price. The reduced float may also make the trading price of the Old Notes more volatile. The extent of the public market for the Old Notes following consummation of the Offer will depend upon the number of holders that remain at such time, the interest in maintaining markets in the Old Notes on the part of securities firms and other factors. There can be no assurance that any trading market will exist for the Old Notes following the consummation of the Offer.

**Other Purchases or Redemption of Old Notes.** Whether or not the Offer is consummated, South Africa may acquire, from time to time following completion or cancellation of the Offer, Old Notes other than pursuant to the Offer, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise (and may redeem or defease the Old Notes in accordance with the Old Notes and the indentures under which they were issued), upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration.

**Enforcement of Civil Liabilities; Waiver of Sovereign Immunity.** South Africa is a foreign sovereign state. Consequently, it may be difficult for or a trustee you to obtain or enforce judgments of courts in the United States or elsewhere against South Africa.

**You must take certain actions with respect to settlement of tenders made pursuant to the Offer.** If all or any amounts of your Old Notes are accepted for purchase pursuant to the Offer, you will need to satisfy the following conditions:

- ensure that your Old Notes are delivered to the Billing and Delivering Bank;
- if you hold Old Notes through DTC, they must be delivered no later than 3:00 p.m., New York time, on the Settlement Date; and
- if you hold Notes through Euroclear or Clearstream, the latest process you can use to deliver your Notes to the Billing and Delivering Bank is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process.

If you hold Old Notes through a broker, it is your responsibility to ensure that your broker is aware of the foregoing restrictions. You will not be able to submit tenders through Euroclear, Clearstream or DTC systems. Failure to adhere to the foregoing conditions may result in the cancellation of your tender and in you becoming liable for any damages resulting from that failure.

**South Africa shall not be liable for any payments under the Offer.** Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder. The Billing and Delivering Bank shall not be liable for payments to any holder of Old Notes validly tendered and accepted for purchase if such holder fails to deliver such Old Notes on or prior to the settlement of the Offer on the Settlement Date as described herein. The Billing and Delivering Bank shall only have the obligation to sell to South Africa the Old Notes validly tendered and accepted for purchase that the Billing and Delivering Bank has actually received pursuant to the Offer on the

Settlement Date. The Billing and Delivering Bank will not be liable for the payment of the Old Notes if the Dealer Manager Agreement relating to this Offer or the underwriting agreement for the New Notes Offering shall have been terminated prior to or at the time of the settlement of the Offer.

***Tender Orders, or Portions Thereof may be Rejected due to Proration or otherwise.*** Tender Orders may be subject to proration, on the basis described under “The Offer – Tender Procedures – Proration.” If there is proration, Preferred Tenders will be accepted before any Non-Preferred Tenders are accepted. Tender Orders may be rejected in whole or in part as a result of proration. In addition, South Africa reserves the right, in its sole discretion, to instruct the Billing and Delivering Bank not to accept any Tender Orders, or to accept Tender Orders as to one or more series of Old Notes but not other series, for any reason.

***Reinvestment Risk.*** If you tender Old Notes in the Offer and submit an Indication of Interest to the underwriters of the New Notes Offering expecting to receive 2028 Notes, in the event that the New Notes Offering is terminated for any reason after your Old Notes have been purchased by the Billing and Delivering Bank on the Settlement Date, you will not receive 2028 Notes because the settlement of the New Notes Offering (expected to be one business day after the Settlement Date) is not a condition of the Offer. If you have received cash for your Old Notes purchased in the Offer and the New Notes Offering is subsequently terminated, you may not be able to reinvest such cash at a comparable return for a similar level of risk.

## **THE OFFER**

### **Introduction**

This Offer is to purchase Old Notes for cash such that the aggregate Purchase Price to be paid for the Old Notes is equal to the Maximum Purchase Amount. The Maximum Purchase Amount will be determined by South Africa in its sole discretion and will be announced prior to 8:00 a.m. on Friday, September 30, 2016, London time, or as soon as possible thereafter. The Offer is made subject to the terms and conditions set forth in this Offer Document, including the pricing of the New Notes Offering in an amount, with pricing and on terms and conditions acceptable to South Africa and, the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer not having been terminated prior to or at the time of the settlement of the Offer. The Offer is not conditioned upon any minimum participation of any series of Old Notes or the closing of the New Notes Offering. The aggregate principal amount of 2019 Notes outstanding as of Wednesday, September 28, 2016 is US\$2,000,000,000. The aggregate principal amount of 2020 Notes outstanding as of Wednesday, September 28, 2016 is US\$2,000,000,000.

### **Purpose**

The Offer is part of a broader program of South Africa to manage its external liabilities.

### **Resale of Accepted Old Notes to South Africa**

South Africa has agreed to apply a portion of the net proceeds of the New Notes Offering to purchase the Old Notes accepted pursuant to the Offer from the Billing and Delivering Bank at the applicable Purchase Price plus accrued interest. Such purchase by South Africa is expected to occur on the date of issuance of the New Notes. Accordingly, the Offer is conditioned upon the pricing of the New Notes Offering, including in an amount, with pricing and on terms and conditions acceptable to South Africa, and upon the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer not having been terminated prior to or at the time of the settlement of the Offer. The Offer is not contingent upon the closing of the New Notes Offering.

The New Notes Offering will be made solely by means of a prospectus relating to that offering, and this Offer Document does not constitute an offer to sell or the solicitation of an order to buy the New Notes.

### **Purchase Price of Old Notes**

The Billing and Delivering Bank will pay a Purchase Price per US\$1,000 principal amount of Old Notes of each series that are accepted pursuant to the Offer equal to the fixed price indicated in the table on the cover of this Offer Document.

### **Accrued Interest**

In addition to the Purchase Price, holders whose Old Notes are accepted for purchase by South Africa will also receive Accrued Interest with respect to their tendered Old Notes from, and including, the last interest payment date for such Old Notes to, but not including, the Settlement Date, in each case rounded to the nearest cent (US\$0.01). Accrued Interest will be payable in cash on the Settlement Date.

In the event of any dispute or controversy regarding any amount of Accrued Interest for each Old Note accepted pursuant to the Offer, the determination of South Africa will be conclusive and binding, absent manifest error.

### **New Notes Price Determination Time**

The pricing of the New Notes will be determined by South Africa in accordance with standard market practice, at the New Notes Pricing Time, unless extended by South Africa. South Africa will announce the pricing terms for the New Notes at or around 4:00 p.m., London time, on Thursday, September 29, 2016.

## **Announcement of Accepted Preferred Tenders and Non-Preferred Tenders**

South Africa will announce the aggregate principal amount of Preferred Tenders or Non-Preferred Tenders of each series of Old Notes that has been accepted and whether any Preferred Tenders and Non-Preferred Tenders will be prorated prior to 8:00 a.m., London time, or as soon as possible thereafter, on Friday, September 30, 2016 by issuing a press release to an international news service and notice to the Luxembourg Stock Exchange.

## **No Recommendation**

NONE OF SOUTH AFRICA, THE DEALER MANAGERS, THE BILLING AND DELIVERING BANK OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION THAT ANY HOLDER TENDER OR REFRAIN FROM TENDERING ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF SUCH HOLDER'S OLD NOTES, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISIONS WHETHER TO TENDER OLD NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF OLD NOTES TO TENDER.

## **Duration of the Offer**

The Offer will commence at 8:00 a.m., London time, on Thursday, September 29, 2016, and expire at 4:00 p.m. on Thursday, September 29, 2016 (Expiration Time) unless extended or earlier terminated by South Africa in its sole discretion.

In the event that the Offer is extended or earlier terminated, the term "Expiration Time" shall mean the time and date on which the Offer, as so extended or earlier terminated, shall expire.

Subject to applicable law, South Africa expressly reserves the right, for any reason and in its sole discretion, to:

- extend the period of time during which the Offer shall remain open at any time and from time to time by giving oral or written notice of such extension to the Dealer Managers, the Billing and Delivering Bank and the Information Agent;
- prospectively terminate or withdraw the Offer at any time; or
- at any time until the first time a tender occurs, amend the terms of such Offer in any respect, and, at any time after the first time a tender occurs, amend the terms of such Offer in a manner South Africa deems, in its sole discretion, to be advantageous or neutral to all holders of the Old Notes, whether or not such holders have previously tendered their Old Notes.

There can be no assurance that South Africa will exercise its right to extend, terminate or amend the Offer. Please note that the terms of any extension or an amendment of the terms or conditions of the Offer may vary from the terms of the original Offer depending on such factors as prevailing interest rates and the principal amount of Old Notes previously tendered or otherwise purchased.

Any extension, termination or amendment of the Offer will be followed as promptly as practicable by public announcement thereof. South Africa shall communicate such public announcement by issuing a press release in accordance with applicable law. See "The Offer—Communications."

## **Tender Procedures**

### ***Procedures for Submitting Tenders Orders***

Tender Orders must be submitted to a Dealer Manager. Tender Orders of each series of Old Notes by a holder must be in principal amounts that are Permitted Tender Amounts (US\$100,000 and integral multiples of US\$1,000 in excess thereof).

If you have an account with a Dealer Manager and desire to tender your Old Notes, you should call your regular contact at the Dealer Manager at any time during the Tender Period (which will commence at 8:00 a.m., London time, on Thursday, September 29, 2016, and expire at 4:00 p.m., London time, on Thursday, September 29, 2016 unless extended or earlier terminated by South Africa in its sole discretion). You will not be required to pay any fees or commission to a Dealer Manager in connection with a tender of Old Notes.

If you do not have an account with a Dealer Manager and desire to tender your Old Notes, you may do so through any broker, dealer, commercial bank, trust company, other financial institution or other custodian, that you customarily use. Your broker must contact one of the Dealer Managers at its phone number set forth on the inside back cover of this Offer Document, at any time during the Tender Period (which shall commence at 8:00 a.m., London time, on Thursday, September 29, 2016, and expire at 4:00 p.m., London time, on Thursday, September 29, 2016 unless extended or earlier terminated by South Africa in its sole discretion). You may be required to pay a fee or commission to your broker or intermediary through whom Old Notes are tendered.

By tendering Old Notes, you will be deemed to have made certain acknowledgments, representations, warranties and undertakings to South Africa, the Dealer Managers and the Information Agent. See “Holders’ Representations, Warranties and Undertakings. The Permitted Tender Amounts must be in the applicable Minimum Denominations of the Old Notes.

**You must submit tenders to one Dealer Manager only.**

**Do not tender any Old Notes more than once.**

**There is no letter of transmittal for the Offer.**

**You will NOT be able to submit tenders through the Euroclear, Clearstream or DTC systems.**

**You should not send Old Notes to South Africa.**

#### *Acceptance of Tenders*

South Africa will instruct the Billing and Delivering Bank to accept valid tenders of Old Notes for purchase in such amounts as South Africa shall determine (subject to the terms and conditions of the Offer, including potential proration). Old Notes will be accepted for purchase at such time as the Billing and Delivering Bank and a tendering holder (or, if such tendering holder does not have an account with the Billing and Delivering Bank, through a Dealer Manager) execute a transaction for the sale of Old Notes in accordance with customary brokerage practices for corporate fixed income securities (i.e., a “desk to desk” or “broker to broker” trade). **Tender Orders that are accepted will be settled solely by the Billing and Delivering Bank on the Settlement Date, subject to the terms and conditions of the Offer.** Each of South Africa and the Billing and Delivering Bank reserves the right, in the sole discretion of each of them, not to accept any tenders for any reason.

All Old Notes that are tendered pursuant to Tender Orders placed through a Dealer Manager and are accepted by South Africa will be purchased by the Billing and Delivering Bank directly or, if the tendering holder does not have an account with the Billing and Delivering Bank, through a Dealer Manager, in such amounts as South Africa shall determine. **Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.** The Billing and Delivering Bank shall not be liable for payments to any holder of Old Notes validly tendered and accepted for purchase if such holder fails to deliver such Old Notes on or prior to the settlement of the Offer as described herein.

To avoid acceptance and purchases of Old Notes in principal amounts other than Minimum Denominations and to ensure that Old Notes subject to proration are returned in Minimum Denominations, if necessary, appropriate adjustments will be made downward to the nearest Minimum Denominations, with respect to each Tender Order accepted for purchase. Holders who tender less than all of their Old Notes, must continue to hold Old Notes in Minimum Denominations.

Each of South Africa and the Billing and Delivering Bank reserves the right, in the sole discretion of each of them, not to accept any tenders for any reason. Old Notes may be tendered only in Permitted Tender Amounts (US\$100,000 and integral multiples of US\$1,000 in excess thereof).

### ***Proration***

Tender Orders may be subject to proration. Tender Orders made by New Requestors (i.e., holders who have submitted an Indication of Interest for 2028 Notes) will be accepted up to each New Requestor's Tender Preference Amount before any Tender Orders are accepted from holders who are not New Requestors.

Each New Requestor tendering Old Notes of any series shall be deemed to represent to South Africa, the Dealer Managers and the Billing and Delivering Bank that such New Requestor held, from the time of the Tender Order through the Expiration Time, at least the amount of Old Notes of each such series as are being tendered.

If the aggregate Purchase Price of all Tender Orders exceeds the Maximum Purchase Amount, the Tender Orders shall be subject to proration on the following basis:

- (i) If the aggregate Purchase Price of all Preferred Tenders exceeds the Maximum Purchase Amount, then each New Requestor shall have its Preferred Tenders for each series of Old Notes prorated down, proportionate to the relative size of such New Requestor's Preferred Tenders of that series of Old Notes to all Preferred Tenders, so that the aggregate Purchase Price of all Preferred Tenders equals the Maximum Purchase Amount. In such a case, no Non-Preferred Tenders will be accepted.
- (ii) If the aggregate Purchase Price of all Preferred Tenders is less than or equal to the Maximum Purchase Amount then (i) all Preferred Tenders shall be accepted and (ii) each tendering holder shall have its Non-Preferred Tenders for each series of Old Notes prorated down, proportionate to the relative size of each such holder's Non-Preferred Tenders of that series of Old Notes to all Non-Preferred Tenders.

South Africa may, at its sole discretion, adjust the foregoing so as to apply prorationing differentially to each respective series of Old Notes (prioritizing one or more such series).

To the extent proration occurs in the Offer, the Billing and Delivering Bank will accept Old Notes with appropriate adjustments to avoid purchase of the Old Notes in principal amounts other than Minimum Denominations.

All Old Notes not accepted as a result of such proration will be rejected and not purchased pursuant to the Offer.

### **Withdrawal Rights**

Holders of Old Notes will not have withdrawal rights with respect to the Offer.

### **Settlement; Rounding**

Subject to the pricing of the New Notes and the other conditions set forth herein, the Billing and Delivering Bank will purchase directly, or if the tendering holder does not have an account with the Billing and Delivering Bank, through the respective Dealer Manager, validly tendered and accepted Old Notes in such amounts determined as described herein, on a delivery versus payment method on the Settlement Date, which is expected to be Thursday, October 6, 2016, subject to change without notice. **Only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted. South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.**

**If you hold Old Notes through DTC, they must be delivered for settlement no later than 3:00 p.m., New York time, on the Settlement Date. If you hold Old Notes through Euroclear or Clearstream, the latest**

**process you can use to deliver your Old Notes to the Billing and Delivering Bank is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process.**

**Failure to deliver Old Notes on time may result in (i) the cancellation of your tender and in you becoming liable for any damages resulting from that failure and/or (ii) in the case of Preferred Tenders, cancellation of any allocation of 2028 Notes in the New Notes Offering in respect of your related Indication of Interest and/or (iii) in the case of Preferred Tenders, in the cancellation of your tender and in your remaining obligation to purchase your allocation of 2028 Notes in respect of your related Indication of Interest and/or (iv) in the delivery of a buy-in notice for the purchase of such Old Notes, executed in accordance with customary brokerage practices for corporate fixed income securities.**

Payments for Old Notes purchased pursuant to the Offer will be made in same day funds. The amount of cash you receive will be rounded to the nearest cent (US\$0.01). The determination by the Dealer Managers of any calculation or quotation made with respect to the Offer shall be conclusive and binding on you, absent manifest error.

### **Conditions to the Offer**

South Africa reserves the right, in its sole discretion, to instruct the Billing and Delivering Bank not to accept any Tender Orders, or to accept Tender Orders as to one or more series of Old Notes but not other series, for any reason. In addition, notwithstanding any other provisions of the Offer, the Offer is conditioned upon there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that: (1) makes or seeks to make illegal the purchase of Old Notes pursuant to the Offer; (2) would or might result in a delay in, or restrict, the ability of South Africa to purchase the Old Notes from the Billing and Delivering Bank or issue the New Notes; or (3) imposes or seeks to impose limitations on the ability of South Africa to issue and/or price the New Notes in an amount, with pricing and on terms and conditions acceptable to South Africa.

The Offer is also conditioned upon the pricing of the New Notes Offering, including in an amount, with pricing and on terms and conditions acceptable to South Africa, and upon the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer not having been terminated prior to or at the time of the settlement of the Offer. Each of the foregoing conditions is for the sole benefit of South Africa and may only be waived by South Africa, in whole or in part, at any time and from time to time, in its discretion except that South Africa can only waive the condition relating to the termination of the underwriting agreement for the New Notes Offering and the termination of the Dealer Manager Agreement relating to this Offer with the prior consent of the Billing and Delivering Bank. Any determination by South Africa concerning the conditions set forth above (including whether or not any such condition has been satisfied or waived, except as in the case of the termination of the underwriting agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Offer) will be final and binding upon the Billing and Delivering Bank and all other parties. The Billing and Delivering Bank will not be liable for the payment for any Old Notes pursuant to the Offer if the Dealer Manager Agreement relating to this Offer or the underwriting agreement for the New Notes Offering shall have been terminated prior to or at the time of the settlement of the Offer.

### **Market for the Old Notes**

South Africa intends to cancel the Old Notes it acquires from the Billing and Delivering Bank following completion of the Offer. Accordingly, this transaction will reduce the aggregate principal amount of such Old Notes that otherwise might trade in the market, which could adversely affect the liquidity and market value of the remaining Old Notes that South Africa does not acquire.

### **Communications**

Information about the Offer will be published, to the extent provided in this Offer Document, by means of press releases to an international news service and a notice to the Luxembourg Stock Exchange.



Without limiting the manner in which such public announcement may be made, South Africa shall not have any obligation to publish, advertise or otherwise communicate such public announcement other than to an international news service.

Holders may obtain information about the Offer by contacting the Dealer Managers or the Information Agent at the addresses and telephone numbers listed on the inside back cover of this Offer Document.

### **Certain Other Matters**

Each proper acceptance of the Old Notes will constitute your binding agreement (as tendering holder of such Old Note) to settle the trade on the Settlement Date. The acceptance of the Offer by you with respect to any Old Notes will constitute the agreement by you to deliver good and marketable title to such Old Notes on the Settlement Date free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind. All tenders of Old Notes will settle in accordance with customary brokerage practices for South Africa's fixed income securities on the Settlement Date, subject to the conditions of the Offer. If you hold Old Notes through DTC, they must be delivered for settlement no later than 3:00 p.m., New York time, on the Settlement Date. If you hold Notes through Euroclear or Clearstream, the latest process you can use to deliver your Notes to the Billing and Delivering Bank is the overnight process, one day prior to the Settlement Date; you may not use the optional daylight process. Failure to deliver Old Notes on time may result in (i) the cancellation of your tender and in you becoming liable for any damages resulting from that failure and/or (ii) in the case of Preferred Tenders, cancellation of any allocation of 2028 Notes in the New Notes Offering in respect of your related Indication of Interest and/or (iii) in the case of Preferred Tenders, in the cancellation of your tender and in your remaining obligation to purchase your allocation of 2028 Notes in respect of your related Indication of Interest and/or (iv) in the delivery of a buy-in notice for the purchase of such Old Notes, executed in accordance with customary brokerage practices for corporate fixed income securities.

All questions as to the validity, form and eligibility (including time of receipt), any acceptance of the Offer and any sale pursuant thereto will be determined by South Africa, in its sole discretion, which determination shall be final and binding. South Africa reserves the absolute right, in its sole discretion, to reject any and all acceptances and sales not in proper form or for which the corresponding agreement to purchase, in its opinion, would be unlawful. South Africa also reserves the right to waive any defects, irregularities or conditions in acceptances and settlement with regard to any particular Old Notes.

None of South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent or any other person will be under any duty to give notice to accepting or selling holders of Old Notes of any defects or irregularities in acceptances or sales, nor shall any of them incur any liability for failure to give such notice.

The determination by South Africa of any calculation or quotation made with respect to the Offer shall be conclusive and binding on all holders, absent manifest error.

## TAXATION

### General

A tender of Old Notes pursuant to this Offer Document may be a taxable transaction under the laws applicable to a holder of Old Notes. You should consult your own tax advisors to determine the particular tax consequences that apply to you in respect of the sale of Old Notes.

### South African Income Tax Consequences Associated with the Old Notes

The following discussion summarizes certain aspects of South African income taxation that may be relevant to you if you are a Non-Resident Holder of the Old Notes. For the purposes of this summary, you are a Non-Resident Holder if you are a holder of Old Notes who is not a “resident” as defined in the South African Income Tax Act, 1962 (the “SA Income Tax Act”). A “resident” is defined in the SA Income Tax Act as:

- (i) a natural person who is:
  - (A) ordinarily resident in South Africa, or
  - (B) not at any time during a relevant year of assessment ordinarily resident in South Africa if that person was physically present in South Africa:
    - (X) for a period or periods exceeding 91 days in aggregate during the relevant year of assessment, as well as for a period or periods exceeding 91 days in aggregate during each of the five years of assessment preceding the relevant year of assessment; and
    - (Y) for a period or periods exceeding 915 days in aggregate during those five preceding years of assessment,

in which case that person will be a resident with effect from the first day of the relevant year of assessment PROVIDED THAT:

- (I) a day shall include a part of a day, but shall not include any day that a person is in transit through South Africa between two places outside South Africa and that person does not formally enter South Africa through a port of entry or at any other place as may be permitted by the Director General of the Department of Home Affairs of South Africa or the Minister of Home Affairs of South Africa; and
  - (II) where a person who is a resident in terms of this subparagraph is physically outside South Africa for a continuous period of at least 330 full days immediately after the day on which such person ceases to be physically present in South Africa, such person shall be deemed not to have been a resident from the day on which such person so ceased to be physically present in South Africa; or
- (ii) person (other than a natural person) which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa,

but does not include any person who is deemed to be exclusively a resident of another country for purposes of the application of any agreement entered into between the governments of South Africa and that other country for the avoidance of double taxation: Provided that where any person that is a resident ceases to be a resident during a year of assessment, that person must be regarded as not being a resident from the day on which that person ceases to be a resident: Provided further that in determining whether a person that is a foreign investment entity has its place of effective management in South Africa, no regard must be had to any activity that:

- (i) constitutes (A) a financial service as defined in section 1 of the Financial Advisory and Intermediary Services Act, 2002 of South Africa, or (B) any service that is incidental to such financial service contemplated where the incidental service is in respect of a financial product that is exempted from the provisions of that Act, as contemplated in section 1 (2) of that Act; and
- (ii) is carried on by a financial service provider as defined in section 1 of the Financial Advisory and Intermediary Services Act, 2002 of South Africa, in terms of a licence issued to that financial service provider under section 8 of that Act.

This summary is based on South Africa laws, rules and regulations now in effect, all of which may change. This summary is not intended to constitute a complete analysis of the income tax or capital gains tax consequences under South African law of the receipt, ownership or disposition of the Old Notes, in each case if you are a non-resident of South Africa, nor to describe any of the tax consequences that may be applicable to you if you are a resident of South Africa. This discussion assumes that you hold the Old Notes as “capital assets” within the meaning of paragraph 12A(1) of the Eighth Schedule to the SA Income Tax Act.

Under South Africa law, as currently in effect, if you are a Non-Resident Holder of Old Notes:

- (i) principal payments on the Old Notes will not be subject to South African income or withholding tax;
- (ii) interest payments on the Old Notes will not be subject to South African income tax unless:
  - (A) you are a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is received or accrued by or to that person; or
  - (B) you have a permanent establishment in South Africa and the debt from which the interest arises is effectively connected to that permanent establishment;
- (iii) interest payments on the Old Notes will not be subject to South African withholding tax on interest; and
- (iv) capital gains tax under the Eighth Schedule to the SA Income Tax Act will not be levied in relation to Old Notes sold or disposed of by you pursuant to the Offer unless you have a permanent establishment in South Africa and the holding of those Old Notes is attributable to that permanent establishment.

## **U.S. Federal Income Taxation**

The following is a summary of certain U.S. federal income tax consequences expected to result from the tender of Old Notes pursuant to the Offer. This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. We have not requested, and do not plan to request, any rulings the U.S. Internal Revenue Service (the “IRS”) concerning the tax consequences contained in this summary, and the statements set forth herein are not binding on the IRS or a court. Thus, we can provide no assurance that the tax consequences contained in this summary will not be challenged by the IRS or sustained by a court if so challenged.

This discussion does not deal with special classes of holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, persons holding Old Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar or U.S. expatriates or former long-term residents of the United States. Further, it does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of United States federal, state or local taxation that may be relevant to a holder in light of such holder's particular

circumstances. This discussion assumes that you hold the Old Notes as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, the term “U.S. Holder” means a beneficial owner of debt securities that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes. The term “Non-U.S. Holder” means a beneficial owner of debt securities that is, for United States federal income tax purposes, (i) a non-resident alien individual, (ii) a corporation not created or organized under the laws of the United States or any State thereof, (iii) a foreign estate or trust, or (iv) a partnership all of whose partners are Non-U.S. Holders.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds debt securities will depend on the status of the partner and the activities of the partnership. Holders that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the Offer.

### **Sales of Old Notes**

Sales of Old Notes pursuant to the Offer generally will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, you will recognize capital gain or loss in an amount equal to the difference between the amount of cash you receive (other than amounts received attributable to accrued interest, which will be taxed as such) and your adjusted tax basis in the Old Notes sold at the time of sale. Your adjusted tax basis in an Old Note generally will equal the amount you paid for the Old Note, reduced by any premium you have previously amortized and increased by the amount of any market discount that you have elected to include in income currently as it accrues (as described below). Any such gain or loss will be long-term capital gain or loss if you have held the Old Notes for more than one year on the date of the sale. The deductibility of capital losses is subject to limitations. Special issues may apply to the sale of Old Notes pursuant to the Offer in the case of a New Requestor that purchases New Notes pursuant to the New Notes Offering, as described below.

In general, market discount is the excess, if any, of the principal amount of an Old Note over your tax basis therein at the time of the acquisition, unless the amount of the excess is less than a specified de minimis amount, in which case market discount is considered to be zero. If you acquired the Old Notes with market discount, any gain you realize pursuant to the sale of Old Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while you held the Old Notes, unless you have elected to include market discount in income currently as it accrues.

Gain or loss recognized pursuant to the Offer generally will be treated as U.S.-source income or loss for U.S. foreign tax credit purposes. Accrued interest income with respect to the Old Notes that is treated as paid as a result of the Offer will constitute income from sources outside the United States, and for U.S. foreign tax credit purposes such income should generally constitute “passive category income.” The rules governing the U.S. foreign tax credit are complex, and each U.S. Holder is urged to consult its own tax advisor regarding the application of the rules to its particular circumstances.

If you purchase New Notes pursuant to the New Notes Offering, you should consult your tax advisor to determine whether your sale of Old Notes pursuant to the Offer and your purchase of New Notes pursuant to the New Notes Offering could be characterized as a single exchange of Old Notes for New Notes for U.S. federal income tax purposes. If the sale and purchase were treated as a taxable exchange, the amount realized on the disposition of the Old Notes and the issue price of the New Notes may be equal to the fair market value of the New Notes on the date of the deemed exchange. Accordingly, it is possible that you would recognize gain or loss in an amount different from the amount described above. If you sell Old Notes pursuant to the Offer and purchase New Notes pursuant to the New Notes Offering, you should consult your tax advisor regarding the consequences of such sale and purchase.

South Africa intends to take the position that the sale of Old Notes pursuant to the Offer is treated as a taxable sale, and (with respect to purchasers of New Notes) not as a deemed exchange, for U.S. federal income tax purposes. As described above, under this treatment, if you dispose of Old Notes pursuant to the Offer for an amount that exceeds the basis of the Old Notes, you would recognize gain at the time of the disposition.

### **Non-U.S. Holders**

Subject to the discussion of backup withholding below, a non-U.S. Holder will not be subject to U.S. federal income tax, including withholding tax, on the amount realized on the tendering of a Note, including amounts attributable to unpaid interest, provided that such amounts are not effectively connected with the conduct by the non-U.S. Holder of a United States trade or business (and, if required by an income tax treaty, the Note is attributable to a U.S. permanent establishment of the Non-U.S.) and, in the case of a non-U.S. Holder who is an individual, the holder is not present in the United States for a total of 183 days or more during the taxable year in which the gain is realized and certain other conditions are met.

### **Information Reporting and Backup Withholding**

Payments of principal and interest on, and the proceeds of sale or other disposition of debt securities by a U.S. paying agent or other U.S. intermediary will be reported to the Internal Revenue Service and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with the applicable backup withholding requirements. Certain U.S. Holders (including, among others, corporations), are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not United States persons in order to avoid the application of these information reporting requirements and backup withholding tax.

## JURISDICTIONAL RESTRICTIONS

The distribution of this Offer Document and related materials is restricted by law in certain jurisdictions. Persons into whose possession this Offer Document come are required by South Africa, the Dealer Managers and the Billing and Delivering Bank to inform themselves of and to observe any of these restrictions. Each person accepting the Offer shall be deemed to have represented, warranted and agreed (in respect of itself and any person for whom it is acting) that it is not a person to whom it is unlawful to make an Offer pursuant to this Offer Document (including under the applicable securities laws referenced below), it has not distributed or forwarded this Offer Document or any other documents or materials relating to the Offer to any such person, and it has (before offering the Old Notes for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer.

This Offer Document does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not authorized or in which the person making an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make an offer or solicitation. None of South Africa, the Dealer Managers and the Billing and Delivering Bank accepts any responsibility for any violation by any person of the restrictions applicable in any jurisdiction.

In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer and in which any Dealer Manager or any of its affiliates is so licensed, it shall be deemed to be made by the Dealer Managers or such affiliates.

This Offer does not constitute an offer to sell or the solicitation of an order to buy any New Notes. The New Notes will only be offered in jurisdictions and upon such conditions where it is legal to make such offers. The offer of the New Notes is restricted in certain jurisdictions by law. In any EEA Member State the offer of the New Notes is only addressed to and directed at qualified investors within the meaning of the Prospectus Directive.

### **Belgium**

The Offer does not constitute a public offering within the meaning of Articles 3, §1, 1° and 6 of the Belgian Law of April 1, 2007 on takeover bids (the “Takeover Law”). The Offer is exclusively conducted under applicable private placement exemptions and has therefore not been, and will not be, notified to, and any other offer material relating to the Offer has not been, and will not be, approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*).

Accordingly, the Offer Document may only be advertised, offered or distributed in any way, directly or indirectly, to any persons located and/or resident in Belgium who qualify as “Qualified Investors” as referred to in Article 6, §3, 1° of the Takeover Law, and who are acting for their own account, or in other circumstances which do not constitute a public offering in Belgium pursuant to the Takeover Law.

### **Germany**

Each of the Dealer Managers has represented and agreed that it has not made and will not make the Offer, and that it has not offered or sold and that it will not offer or sell the New Notes, in the Federal Republic of Germany other than in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other applicable laws in the Federal Republic of Germany governing the issue, sale and offering of securities.

### **Hong Kong**

Each of the Dealer Managers has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes or the Old Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

## **Italy**

None of the Offer, this Offer Document or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree no. 58 of February 24, 1998, as amended (the “Consolidated Financial Services Act”) and article 35-bis, paragraphs 3 and 4 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (“Regulation 11971”).

Holders or beneficial owners of the Old Notes that are resident and/or located in Italy can tender Old Notes for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with any other applicable laws and regulations and with any requirements imposed by CONSOB and any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Old Notes or the Offer.

## **Singapore**

This Offer Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. The Offer does not constitute a public tender offer for the purchase of the Old Notes nor an offering of securities in Singapore pursuant to the Securities and Futures Act, Chapter 289 of Singapore.

## **Republic of South Africa**

The New Notes and the Old Notes constitute “controlled securities” as defined in Section 14 of the Exchange Control Regulations and as such are subject to the Exchange Control Regulations and the directives or authorities issued or granted by the Exchange Control Authorities in respect of the Exchange Control Regulations from time to time.

In terms of the Currency Transfer Guarantee, the Exchange Control Authorities, in their capacity as the agent for the Minister of Finance of the Republic for purposes of the enforcement of the Exchange Control Regulations, have irrevocably and unconditionally guaranteed that the transfer to the Fiscal Agent of all sums in the amount and in the currency required for the fulfillment of the financial obligations arising from the Notes and the Fiscal Agency Agreement will be authorized in good time, under all circumstances and without any limitations, notwithstanding any restrictions that may be in force at the time thereof in South Africa, and without any obligation to submit any affidavit or to comply with any other formality.

The Currency Transfer Guarantee constitutes an irrevocable and unconditional exchange control authority by the Exchange Control Authorities for the transfer of the amounts and in the currency required by the Republic to meet its financial obligations under the Notes and the Fiscal Agency Agreement.

## **Switzerland**

The Offer is made in Switzerland on the basis of a private offer, not as a public offering. Neither this document nor any other offering or marketing material relating to the Offer constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this document nor any other offering or marketing material relating to the Offer may be publicly distributed or otherwise made publicly available in Switzerland.

## **United Kingdom**

The communication of this Offer Document and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom Financial Services and Markets Act 2000 (the “FSMA”).

Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA pursuant to Article 34 of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”) and on the basis that it is only directed at and may be communicated to any persons to whom these documents and/or materials may lawfully be communicated.



## HOLDERS' REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

By tendering Old Notes, each holder of Old Notes shall be deemed to agree with, and acknowledge, represent, warrant and undertake (on behalf of itself and of any person for whom it is acting) to South Africa, the Billing and Delivering Bank, the Dealer Managers and the Information Agent that, on each of the Expiration Time and Settlement Date, as set forth below. If any holder of such Old Notes or the direct participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such holder or direct participant is not permitted to participate in the Offer and, if it has taken any steps to do so, should contact the Information Agent immediately.

- (1) It has received, reviewed this Offer Document and understood and accepted the terms and conditions of the Offer and distribution restrictions, all as described in this Offer Document (and has access to, and has reviewed and understood, the documents incorporated by reference in this Offer Document).
- (2) It understands that the tender of Old Notes pursuant to any of the procedures set forth in this document will constitute its acceptance of the terms and conditions of the Offer, that only the Billing and Delivering Bank will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted subject to the terms and conditions of the Offer, and that South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.
- (3) It is assuming all the risks inherent in participating in the Offer, and has undertaken all the appropriate analysis of the implications of the Offer, without reliance on South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent or any of their respective directors or employees.
- (4) Upon the terms and subject to the conditions of the Offer, it has submitted one or more Tender Orders with respect to the principal amount of Old Notes to a Dealer Manager, subject to and effective on the acceptance for purchase by South Africa in respect of such Old Notes pursuant to the Offer, it renounces all right, title and interest in and to all such Old Notes accepted for purchase pursuant to the Offer and waives and releases any rights or claims it may have against South Africa with respect to any such Old Notes or the Offer.
- (5) It has full power and authority to transfer and assign to the Billing and Delivering Bank the Old Notes which it has tendered pursuant to the Offer and, if such Old Notes are accepted for purchase pursuant to the Offer, good and marketable title to such Old Notes will be transferred to, or for the account of, the Billing and Delivering Bank free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached thereto, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by South Africa or the Billing and Delivering Bank to be necessary or desirable to complete the sale, assignment, transfer and/or cancellation of such Old Notes or to evidence such power and authority.
- (6) It irrevocably appoints the Billing and Delivering Bank as its true and lawful agent and attorney-in-fact (with full knowledge that the Billing and Delivering Bank also acts as agent of South Africa) with respect to the tendered Old Notes, with full powers of substitution (such power of attorney being deemed to be an irrevocable power of attorney coupled with an interest) to (a) present such Old Notes and all evidences of transfer and authenticity to, or transfer ownership of, such Old Notes on the accounts maintained by DTC, Euroclear or Clearstream, as the case may be, to, or to the order of the Billing and Delivering Bank, (b) it will, upon request, execute and deliver additional documents and/or do such other things deemed by the Billing and Delivering Bank, the Dealer Managers, the Information Agent or South Africa to be necessary or desirable to complete the sale, assignment and transfer of the Notes tendered or to evidence such power and authority.
- (7) All authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties, undertakings and directions, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity.
- (8) It understands that acceptance for purchase of Old Notes validly tendered by it pursuant to the Offer will constitute a binding agreement between it and the Billing and Delivering Bank, in accordance with and subject to the terms and conditions of the Offer, that only the Billing and Delivering Bank

will be liable for the payment of the Purchase Price and Accrued Interest for Old Notes validly tendered and accepted and that South Africa will not be liable under any circumstances for the payment of the Purchase Price and Accrued Interest for any Old Notes tendered in the Offer by any holder.

- (9) It understands that South Africa may, at its sole discretion, instruct the Billing and Delivering Bank to extend, re-open, amend or waive any condition of, or terminate, the Offer at any time, and that in the event of a termination of the Offer, the relevant Old Notes will be returned to the holder.
- (10) None of South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent, the trustee for the Old Notes or any of their respective directors or employees, has given it any information with respect to the Offer save as expressly set out in this Offer Document nor has any of them made any recommendation to it as to whether it should tender Old Notes for cash in the Offer, and it has made its own decision with regard to tendering Old Notes for cash in the Offer based on any legal, tax or financial advice it has deemed necessary to seek.
- (11) No information has been provided to it by South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent or any of their respective directors or employees, with regard to the tax consequences for holders of Old Notes arising from any Old Notes purchased pursuant to the Offer and the receipt of the New Notes and any cash payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Offer or in relation to the New Notes and agrees that it does not and will not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against South Africa, the Dealer Managers, the Billing and Delivering Bank, the Information Agent, any of their respective directors or employees or any other person in respect of such taxes and payments.
- (12) It understands that validly tendered Old Notes (or defectively tendered Old Notes with respect to which South Africa has waived, or has caused to be waived, such defect) will be deemed to have been accepted by the Billing and Delivering Bank if, as and when South Africa gives oral or written notice thereof to the Billing and Delivering Bank.
- (13) It is not a person to whom it is unlawful to make an Offer pursuant to this Offer Document (including under the applicable securities laws contained under the heading “Jurisdictional Restrictions” in this Offer Document), it has not distributed or forwarded this Offer Document or any other documents or materials relating to the Offer to any such person, and it has (before tendering the Old Notes for cash) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer.
- (14) It shall indemnify South Africa, the Dealer Managers, the Billing and Delivering Bank and the Information Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, the Offer (including any acceptance thereof) by any such holder.
- (15) It agrees that accrued but unpaid interest to be paid on the Settlement Date pursuant to the Offer shall be paid on such Settlement Date and in accordance with the terms set forth in this document notwithstanding any other provision of the New Notes.
- (16) It is either located outside of Belgium, or if it is located in Belgium, it (a) qualifies as a qualified investor as defined in Article 6, §3, 1° of the Takeover Law; or it has not been solicited by Uruguay or any financial intermediary in connection with the Offer.
- (17) If it is located in Italy, it is an authorised person or is tendering its Old Notes through an authorised person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

- (18) It is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order) or within Article 49(2)(a) to (d) of the Financial Promotion Order, or is otherwise a person to whom this Offer Document and any other documents or materials relating to the Offer may lawfully be communicated (whether pursuant to Article 34 of the Financial Promotion Order or otherwise).
- (19) It and, if applicable, any beneficial owner on whose behalf the undersigned is making this representation is not (i) a person that is, or is owned or controlled by a person that is, described or designated as a "specially designated national" or "blocked person" in the most current U.S. Treasury Department list of "Specially Designated National and Blocked Persons" or an entity included in the Sectoral Sanctions Identifications List (which can be found at: <http://sdnsearch.ofac.treas.gov/>); or (ii) currently subject to, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, Her Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organisations and individuals under the European Union's Common Foreign & Security Policy.

## **DEALER MANAGERS, BILLING AND DELIVERING BANK AND INFORMATION AGENT**

South Africa has entered into a dealer manager agreement with Barclays Bank PLC, HSBC Bank plc, J.P. Morgan Securities plc and Nedbank Limited to act as Billing and Delivering Bank for the Offer. Pursuant to the dealer manager agreement, South Africa has:

- retained the Dealer Managers to act, directly or through affiliates, as the dealer managers in connection with the Offer;
- retained the Billing and Delivering Bank to act as the billing and delivering bank in connection with the Offer
- agreed to reimburse the Dealer Managers for certain expenses in connection with the Offer; and
- agreed to indemnify the Dealer Managers and the Billing and Delivering Bank against certain liabilities and expenses in connection with the Offer, including liabilities under the U.S. Securities Act of 1933, as amended. The dealer manager agreement contains various other representations, warranties, covenants and conditions customary for agreements of this sort.

Global Bondholder Services Corporation will act as Information Agent in connection with the Offer. Global Bondholder Services Corporation's New York address is 65 Broadway – Suite 404, New York, NY 10006. The Information Agent will be paid customary fees for its services in connection with the Offer.

Each of the Dealer Managers is participating as an underwriter in connection with the New Notes Offering and each of the Dealer Managers has provided and may continue to provide certain investment banking services to South Africa for which they have received and may receive compensation that is customary for services of such nature. The Dealer Managers may trade, or hold a long or short position in, the Old Notes, the New Notes or other debt securities or related derivatives of South Africa for their own accounts or for the accounts of their customers at any given time, and the Dealer Managers may participate in the Offer by submitting tenders on their own behalf or by submitting tenders on behalf of clients. The Billing and Delivering Bank has agreed to sell the Old Notes purchased pursuant to the Offer to South Africa on the first business day following the settlement of the Offer and South Africa has agreed to purchase such Old Notes at the Purchase Price paid by the Billing and Delivering Bank pursuant to the Offer plus accrued and unpaid interest therein from and including the last interest payment date for such Old Notes to but not including the date of such transfer, provided that South Africa will not have any obligation to purchase Old Notes if the New Notes Offering has not settled on or prior to such date.

Some of the Dealer Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with South Africa. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of South Africa. If any of the Dealer Managers or their affiliates have a lending relationship with South Africa, certain of those Dealer Managers or their affiliates routinely hedge, and certain others of those Dealer Managers may hedge, their credit exposure to South Africa consistent with their customary risk management policies. Typically, such Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in South Africa's securities, including potentially the New Notes. Any such short positions could adversely affect future trading prices of the New Notes. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with the Offer, South Africa may solicit, or cause to be solicited, tenders by use of postal services, personally or by telephone, electronic mail, facsimile, telegram or other similar methods.

The Dealer Managers have agreed to pay for certain expenses in connection with the Offer.

None of the Dealer Managers, the Billing and Delivering Bank, the Information Agent, the clearing systems or any of their respective directors, employees or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer or South Africa contained or incorporated by reference herein or for any failure by South Africa to disclose events that may have occurred and may affect the significance or accuracy of such information.

## ISSUER OF OLD NOTES

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# **Republic of South Africa**