

Republic of South Africa Announces Exchange and Tender Offer

Pretoria, 8 May 2007

The Republic of South Africa (the "Republic") announced today a transaction designed to enhance the profile of its international debt. Holders of the Republic's four U.S. dollar-denominated bonds due 2009, 2012, 2014 and 2017 are invited to exchange these bonds for a new U.S. dollar-denominated bond or tender for cash, while holders of the Republic's Euro-denominated bonds due 2008 and 2013 are invited to tender these bonds for cash. The new U.S. dollar-denominated bond will be open to cash purchasers and will serve to extend the Republic's maturity profile in the international bond markets. As a whole, the transaction will have no impact on the amount of the Republic's debt in the international markets.

The objectives of this transaction can be summarised as follows:

- enhance the maturity profile of the Republic's international bonds, via a debt-neutral transaction
- set a new U.S. dollar benchmark for South Africa, which will provide a liquid reference point in the coming years
- maintain the Republic's presence in the international bond markets and continue to diversify the Republic's international investor base
- reinforce the Republic's reputation as an investor-friendly and an innovative issuer in the international markets

The Republic has appointed Barclays Capital (in association with Absa Capital) and Citigroup as Joint Dealer Managers for this transaction, following a selection process among the Primary Dealers in the South African domestic government bond market. Absa Capital and aloeCap are working with Barclays Capital and Citigroup on the transaction.

For further information, please refer to the contacts overleaf, or contact Thoraya Pandy from the National Treasury of the Republic, on +27 12 315 5944.

Holders of the Republic's U.S. dollar-denominated and Euro-denominated bonds should carefully review the Prospectus Supplement dated 8 May 2007 to the Prospectus dated August 20, 2003 and consider the risk factors discussed in the Prospectus Supplement, before deciding on what action to take. The transaction is subject to various conditions, as set out in the Prospectus Supplement, including a prioritisation mechanism for the existing bonds.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be a sale of the securities referenced in this communication in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This communication is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and that will contain detailed information about the company and management, as well as financial statements.

The Republic intends to register the New Notes in the United States.

The transactions, including distribution of materials relating to the transactions, are restricted by law in certain jurisdictions. If materials relating to the transactions come into your possession, you are required by the Republic to inform yourself of and to observe all of these restrictions. The materials relating to the transaction 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.

Copies of the Prospectus Supplement may be obtained from the Information and Exchange Agent. If you are in Luxembourg, copies of the Prospectus Supplement may be obtained from the Luxembourg Exchange Agent.

The Information and Exchange Agent is:

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The Joint Dealer Managers are:

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