



Ingwelala Share Block Limited

Reg. No. 1983/006997/06

P O Box 121, Hoedspruit, 1380

Tel: +27 (0) 15 793 1242 / Fax: +27 (0) 15 793 1285

Email: reception@ingwelala.co.za

Wednesday 8 February 2012

Message from the Chairman

Dear Members of Ingwelala

WEEKLY FLOOD UPDATE

Dando Project Team Progress Report

The Dando Project Team has established the critical milestones that must be achieved in order for Ingwelala to be re-opened and the *force majeure* situation lifted. These milestones are portrayed in a Scorecard below:

Milestones for re-opening Ingwelala (all to be green)	
Elephant Fence Repaired to protect water reticulation restoration	
Water availability in Camp – 4 of the 5 boreholes fully operational and reticulated	
Camp roads repaired giving access to all Bungalows (for Game Viewer Vehicles)	
Main Road access temporarily repaired and sedans and heavy vehicles have access	
Stable electric power	

Portions of the electrified Elephant Fence were washed away in the flood and need to be repaired in order to protect restoration work on our water reticulation system. This task is currently 75% complete.

Potable water (i.e. safe for human consumption) availability in the Camp remains a critical issue and a challenge to restore. Currently, 2 boreholes are operational with a target of 4 being required to supply the Camp adequately. With the demand in the Hoedspruit area, availability of spare parts for borehole pumps is a problem. New piping has to be laid across the river system in order to get the water to the Reservoir from the boreholes, as well as from the Reservoir to the Bungalows on the west side of the River. This is complicated given the present state of the river. There may also be damage to the underground water reticulation system around the Bungalows west of the river.

The Camp Roads have been repaired to a passable stage for vehicles with good clearance, enabling Members to reach their Bungalows when Ingwelala is re-opened. Some sedan vehicles will have to be parked and remain in the Parking Area.

The main tar road from the Control gate to Ingwelala (Argyle Road) has 4 areas of flood damage that need to be repaired. Work has commenced on building more secure by-passes so that sedans can pass through. We are hoping that this work will be completed by the end of this weekend. At this stage, it is not clear when heavy vehicles will be allowed through the Control Gate, which is currently hampering fuel deliveries, road repairs and Building Contractors. Permanent repairs are estimated to take 4 months and cost R3 million.

Eskom electric power has been restored and our own Generator stabilized to cope with power cuts.

Excellent progress is being made by the Ingwelala Staff to repair and restore the essential services and achieve the critical milestones for reopening Ingwelala.

Ingwelala remains Closed, including all Reserve Roads

Ingwelala continues to remain closed as previously communicated, including all the roads on the Reserve. Members required to visit their flood damaged Bungalows (see below) will not be permitted to drive on any of the Reserve roads outside of the Camp area. Temporary road repairs that are taking place are aimed at allowing safe passage rather than a smooth ride. If we cannot afford the use of heavy road repair equipment, it will take many years to return our roads to similar conditions pre-Dando.

Certain sections of the Airstrip still need repair, so it must not be used until further notice (it has been appropriately marked to warn Pilots).

Bungalows Damaged

Notwithstanding the closure of Ingwelala, urgent work needs to be done on preparing the 34 currently identified Bungalows damaged by the flood for professional assessment of the structural damage and estimated cost of repair or rebuild. The Company's insurers (who insure the buildings but not the contents of Bungalows, which is an individual Member's responsibility) have appointed a professional Quantity Surveyor (Jacques Hoffman of HP2 who project managed the 80:80 Admin Complex) to undertake this assessment and report back to them as soon as is possible, in order to prepare the insurance claim for this aspect of the damage.

Accordingly, the Board resolved that the Member (or an Authorised User) of each of the 34 damaged Bungalows must come to Ingwelala as soon as possible within the next four (4) weeks in order to assist with preparing the Bungalow for professional assessment and examining content damage. The current closure of Ingwelala will be lifted for these specific Members only during this period.

The Board is aware that the Members of the balance of the Bungalows (\pm 170) not part of the 34 currently identified damaged ones are keen to visit Ingwelala and inspect their Bungalows for any possible damage. A process is currently being worked out with the Insurers to enable this and more information will be briefed soon.

Reminder: Members Evening – Thursday 9 February 2012

A Members Evening will take place at the Country Club Johannesburg (Auckland Park) on Thursday 9 February 2012 commencing at 18h00, during which John Llewellyn will give a firsthand account of the flood emergency, together with a slide show. You are all encouraged to attend this event.

Sincerely



Kevin Alborough
Chairman