

Blue Diamond Investments No. 3 (Proprietary) Limited

(Incorporated with limited liability in South Africa under Registration No.
2005/038687/07)

Issue of ZAR 200,000,000 Transnet Linked Note**Under its ZAR 10,000,000,000 Secured Note Programme**

This document constitutes the pricing supplement relating to the issue of Notes or other Obligations described herein. References in this pricing supplement to the Terms and Conditions are to the section headed "*Terms and Conditions of the Notes*" in the Programme Memorandum dated 30 November 2005 (the "Programme Memorandum") as supplemented and/or amended and/or replaced by the Applicable Issuer Programme Supplement dated 30 November 2005 and by the terms and conditions set out in this pricing supplement. Any capitalised terms not defined in this pricing supplement shall have the meaning ascribed to them in the section of the Programme Memorandum headed "*Glossary of Terms*", unless separately defined in the Programme Memorandum, the Applicable Issuer Programme Supplement or this pricing supplement. References to any Condition in this pricing supplement are to that Condition of the Terms and Conditions.

This pricing supplement must be read in conjunction with the Programme Memorandum and the Applicable Issuer Programme Supplement. To the extent that there is any conflict or inconsistency between the contents of this pricing supplement and the Programme Memorandum and/or the Applicable Issuer Programme Supplement, the provisions of this pricing supplement shall prevail.

PART A: NOTES	
1. Issuer:	Blue Diamond Investments No. 3 (Proprietary) Limited
2. Status of Notes:	Senior Secured
3. Note Rating:	N/A
4. Rating Agency:	N/A
5. Tranche Number:	1
6. Series Number:	2
7. Aggregate Principal Amount:	ZAR 200,000,000
8. Issue Date:	15 November 2006
9. Specified Denomination:	ZAR 1,000,000
10. Issue Price:	ZAR 200,000,000
11. Final Maturity Date:	18 April 2028



12. Form of Notes:	Listed Registered Notes
13. Applicable Business Day Convention:	Following Business Day
14. Other:	N/A
ADDITIONAL/AMENDED/REPLACEMENT TERMS AND CONDITIONS	
15. Additional Terms and Conditions:	N/A
16. Amended Terms and Conditions:	N/A
17. Replacement Terms and Conditions:	N/A
FIXED RATE NOTES	
18. Interest Commencement Date:	15 November 2006
19. Interest Payment Date(s):	Each 18 April and 18 October from and including 18 April 2007
20. Interest Period(s):	"Interest Period" means each period from, and including, one Interest Payment Date to, but excluding, the next following Interest Payment Date, except that the first Interest Period shall commence on, and include, the Interest Commencement Date and end on, but exclude, the next Interest Payment Date thereafter, and the final Interest Period shall end on, but exclude, the Final Maturity Date.
21. Fixed Interest Rate:	8.12% NACS
22. Other:	Actual/365 (Fixed), being the actual number of days in each relevant Calculation Period divided by 365.
PART B: COLLATERAL	
23. Deposit:	
23.1 Amount:	N/A

23.2 Bank holding Deposit:	N/A
23.3 Account number	N/A
24. Securities:	
24.1 Amount:	ZAR 200,000,000
24.2 Type of Securities:	Notes referencing the performance of Transnet Limited ("Transnet Contract")
24.3 Rights of Issuer ceded:	Yes
Default under Collateral	
25. Events of default under collateral:	Bankruptcy or Failure to Pay, Obligation Acceleration, Repudiation/Moratorium, Restructuring of any ZAR denominated borrowed money obligations of Transnet Limited as defined in the Transnet Contract.
26. Consequences of default under Collateral:	<p>Should an Event of Default occur in terms of the Transnet Contract, no interest payment will be made to the Issuer under the Transnet Contract and the following terms shall apply:</p> <ul style="list-style-type: none"> a. the Issuer shall be liable for all costs (if any) involved in unwinding all the interest rate hedges associated with the Transnet Contract, such costs shall be deducted from the Note Residual Value prior to the Counterparty to the Transnet Contract making any payment due under the Transnet Contract. b. the calculation agent to the Transnet Contract will in good faith determine a Note Residual Value. The Note Residual Value is the sum of i) the Market Interest Rate Component; and ii) the Accrued Interest unpaid in terms of the Transnet Contract. c. If the Note Residual Value is



	<p>negative to the Counterparty to the Transnet Contract, the Counterparty to the Transnet Contract shall pay such Note Residual Value less any amount in terms of (a.) above to the Issuer in addition to any additional amounts payable under the Transnet Contract.</p> <p>d. If the Note Residual Value is positive to the Counterparty to the Transnet Contract, the Counterparty to the Transnet Contract will then deduct such positive amount, plus any amounts owing in terms of (a.) above, from any cash payment due under the Transnet Contract, or if physical settlement is applicable the Counterparty to the Transnet Contract shall retain the Transnet Bond until the Noteholder has settled such positive Note Residual Value in cash.</p> <p>e. the calculation agent to the Transnet Contract will in good faith determine the Market Interest Rate Component, which will be the change in the Transnet Contract value as a result of movements in market interest rates from the Issue Date to such calculation date.</p>
<p>27. Other:</p>	<p>The information referred to herein in relation to the Transnet Contract is a summary of certain of the terms and conditions of the Transnet Contract. The Noteholder is entitled at any time to request a copy of the Transnet Contract from the Issuer. The Issuer will deliver such copy within 3 Business Days of the request.</p>



	The Issuer will not amend the terms of the Transnet Contract without the approval of the Noteholder.
28. Other form of Collateral:	<p>If the rating of the Counterparty to the Transnet Contract falls below the Required Credit Rating of F1+(zaf) (or the equivalent thereof) or such rating is withdrawn, then, the Counterparty to the Transnet Contract shall be required to post cash collateral within 5 Business Days, in an amount of 100% of the scheduled redemption amount of the Transnet Contract with the Issuer until the Required Credit Rating has been met. The Issuer shall either place the cash collateral received:</p> <ul style="list-style-type: none"> • on short term deposit, with a maturity of less than 30 days, with a counterparty with at least a Required Credit Rating of F1(zaf) (or the equivalent thereof); or • on a longer term deposit with a counterparty with at least a Required Credit Rating of F1+(zaf) (or the equivalent thereof). <p>Interest received on the deposit will be paid to the Counterparty to the Transnet Contract.</p>
29. Custodian of Collateral (if not Administrator):	N/A
CALL OPTION	
30. Call	At the option of the Issuer
31. Non-Call Period:	The Issuer may not exercise the Call prior to an event of default under the Transnet Contract referred to in item 25 above.
32. Circumstances in which Call may be exercised:	The Issuer may exercise the Call on or after the date on which it becomes aware of an event of default under the Transnet Contract referred to in item 25

	above.
33. Optional Redemption Amount(s) or method of calculating such amount(s):	The Optional Redemption Amount shall be equal to the cash payment received by the Issuer from the counterparty to the Transnet Contract as described in item 24 above or the delivery of the Transnet Bond to the Noteholder. Accordingly the Issuer may elect to discharge its obligation to redeem the Notes at the Optional Redemption Amount by either paying to the Noteholder the cash received by the Issuer under the Transnet Contract or by delivery of the Transnet Bonds to the Noteholder and the Issuer's liability to the Noteholder shall be extinguished in full by such payment or delivery.
34. Optional Redemption Date(s)	5 Business Days after receipt by the Issuer of the cash payment or the Transnet Bond under the Transnet Contract or 5 Business Days after the expiry of the notice period referred to in Condition 9 of the Terms and Conditions, whichever is the later.
35. If redeemable in part:	
35.1 Minimum Principal Amount to be redeemed	N/A
35.2 Maximum Principal Amount to be Redeemed	N/A
36. Notice period (if different from the Programme Memorandum)	N/A
37. Other	N/A
PUT OPTION	
38. Put:	At the option of the Noteholder
39. Non-Put Period:	The Noteholder may not exercise the Put prior to an event of default under the Transnet Contract referred to in item 25 above.

40. Circumstances in which Put may be exercised:	The Noteholder may exercise the Put on or after the date on which it becomes aware of an event of default under the Transnet Contract referred to in item 25 above.
41. Optional Redemption Amount(s) or method of calculating such amount(s):	The Optional Redemption Amount shall be equal to the cash payment received by the Issuer from the counterparty to the Transnet Contract as described in item 24 above or the delivery of the Transnet Bond to the Noteholder. Accordingly the Noteholder may elect that the Issuer discharges its obligations to redeem the Notes on the Optional Redemption Date by either paying to the Noteholder an amount equal to the cash payment received by the Issuer under the Transnet Contract or by delivery of the Transnet Bonds to the Noteholder and the Issuer's liability to the Noteholder shall be extinguished in full by such payment or delivery.
42. Optional Redemption Date(s):	5 Business Days after receipt by the Issuer of the cash payment or the Transnet Bond under the Transnet Contract or 5 Business Days after the expiry of the notice period referred to in Condition 9 of the Terms and Conditions, whichever is the later.
43. Notice period (if different from the Programme Memorandum):	N/A
44. Other:	N/A
<u>PART C: PAYMENT SEQUENCE</u>	
45. Ranking of Notes/Obligations in:	
46. Pre-Enforcement Payment Sequence:	As per Applicable Issuer Programme Supplement
47. Post-Enforcement Payment Sequence:	As per Applicable Issuer Programme Supplement
48. Other:	N/A
<u>PART D: GENERAL</u>	

49. Additional investment considerations:	N/A
50. Required Credit Rating:	N/A
51. Additional selling restrictions:	N/A
52. If syndicated, names of Dealers:	N/A
53. International Securities Numbering (ISIN):	ZAG000035114
54. Financial Exchange:	BESA
55. Settlement and clearing procedures (if not through STRATE):	N/A
56. Last Day to Register:	Each 7 April and 7 October, which shall mean that the Register will be closed during the 10 days preceding the Interest Payment Date and Final Maturity Date as the case may be.
57. Transfer Agent:	Ultra Registrars (Proprietary) Limited
58. Specified Office of the Transfer Agent:	See Programme Memorandum
59. Stabilisation Manager (if any):	N/A
60. Use of Proceeds:	Invest in Collateral
61. Other provisions:	N/A

Signed at *Johannesburg* on this *13th* day of November 2006.

FOR : BLUE DIAMOND INVESTMENTS NO. 3 (PROPRIETARY) LIMITED

By:  _____

Director