NERSA GENERATION LICENSE PUBLIC HEARING

Micawber 862 (Pty) Ltd – West Coast 1
Venue: Cape Town
13 August 2012
Background

• Micawber 862 (Pty) Ltd jointly owned by:
  • GDF SUEZ Energy Asia Turkey and Southern Africa B.V. (ATSA) – 43%
  • Investec Bank Limited – 34.5%
  • Tiso Resources (Pty) Ltd (Tiso) – 20%
  • Micawber 860 (Pty) Ltd (BBBEE Trust) – 2.5%
  • Project Structure attached

**International Power plc** part of GDF SUEZ Group & the Group has the following highlights:

• No. 1 IPP in the world
• No. 1 producer of non-nuclear energy in the world
• 118.2 GW of installed power-generation capacity
• 11.8 GW of capacity under construction
• 50% increase in renewable energy capacity between 2009 and 2015
• International Power is active across 30 countries with outstanding international experience and operational expertise

**Investec Bank** – leading financial institution based in three principal markets, the United Kingdom, South Africa and Australia

**Tiso** – part of Kagiso Tiso Holdings group, one of South Africa’s leading black-controlled and managed investment companies, was established in 2001
Description of the Project (1/4)

• Description
  • Project named West Coast 1
  • Developed by Moyeng Energy (Pty) Ltd which is jointly owned by ATSA, Investec Bank and Tiso
  • The Project consists of development, financing, procurement, construction, ownership, insurance, operation & maintenance of a wind farm

• Type of Project
  • 94MW Greenfield Wind Power Project
  • 20 year PPA based on self dispatch

• Site Location
  • Republic of South Africa, Western Cape Province, approximately 128km North of Cape Town
  • Situated close to the towns of Vredenburg and Paternoster

• Procurement Program
  • West Coast 1 was offered in the second bid submission of the Renewable Energy Independent Power Producer Procurement Programme
  • Project was bid by Micawber 862 (Pty) Ltd
  • Selected as Preferred Bidder on 21 May 2012
Description of the Project (2/4)

Location of the Facility
Description of the Project (3/4)

Turbine Layout of the Project
Description of the Project (4/4)

• Grid Interconnection
  • West Coast 1 will connect into the grid at Eskom’s Aurora Substation
  • There will be a new 33/132kV substation built on the West Coast 1 site
  • A 132kV power line approximately, 32km in length will connect the facility to Aurora substation

• Technology
  • 47 Vestas wind turbines (V90 2.0MW)
  • 80m hub height with 90m rotor diameter

• Energy Analysis
  • Energy to be produced (MWh) over 5 years
  • PPA is valid for a period of 20 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Max MW</th>
<th>Total MWh</th>
<th>Own Use MWh</th>
<th>Export (Sales) MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>90.82</td>
<td>48 163</td>
<td>1 629</td>
<td>46 534</td>
</tr>
<tr>
<td>2015</td>
<td>90.82</td>
<td>300 160</td>
<td>10 154</td>
<td>290 006</td>
</tr>
<tr>
<td>2016</td>
<td>90.82</td>
<td>304 182</td>
<td>10 290</td>
<td>293 892</td>
</tr>
</tbody>
</table>
Project Structure

West Coast 1
2011/110948/07
Micawber 862 (Pty) Ltd

Trust IT: 1257/2011

Kagiso Tiso Holdings

Miacwber 860 (Pty) Ltd
2011/108897/07
(BBBEE Trust)

Tiso Resources (Pty) Ltd
2003/011150/07

Investec Bank Limited
1969/004763/06

GDF SUEZ Energy Asia
Turkey and Southern Africa B.V. ("ATSA")
33161737

Micawber 860 (Pty) Ltd
2011/108897/07

Vestas
Empowerment
Trust
IT:2700/11

Vestas Central Europe AS
80%

20%

ATSA
33161737
92%

Applied Economic Power Solutions
2007/009706/23
8%

Eskom Holdings SOC Limited

Department of Energy of the Government of the Republic of South Africa

National Transmission Company

PPA

IA

TxA

EPC Contractor
Vestas Southern Africa
2010/008330/07

O&M Contractor
Micawber 861 (Pty) Ltd
2011/108873/07

EPC Contract

O&M Contract

Financing Agreements

Land options, Servitudes

LAND OWNERS

LENDERS

West Coast 1
Beneficiaries

100%

100%

2.5%

20%

34.5%

43%

34.5%

20%

2.5%

34.5%

20%

2.5%

34.5%

20%
Environmental Approvals & Consents

- Environmental Impact Assessment Ref No. 12/12/20/1581
- Environmental Authorisation was received on 16 March 2011 authorising a wind energy facility with 55 wind turbines
- One appeal received from Department of Heritage Western Cape
- Wind farm reduced to 47 turbines to meet the concerns raised by Heritage Western Cape. Subsequently the appeal was withdrawn
- Bird monitoring on site far advanced (in access of 12 months) to meet conditions of the Environmental Authorisation. No fatal flaws noted
- Nocturnal bird monitoring also in progress using radar equipment
- Bat monitoring in progress
- The South African Air Force (SAAF) has granted approval subject to acceptable mitigation measures by the developer
- South African Civil Aviation has no objection to the wind farm but is subject to the conditions of the SAAF above
- Maximum tip height will not exceed 1000 feet above sea level
- Land lease agreements have been concluded with landowners
- The facility will be built and operated within the conditions of the Environmental Authorisation
Benefits to Republic of South Africa

- The Minister has determined that 3 725 megawatts (MW) to be generated from Renewable Energy sources is required to ensure the continued uninterrupted supply of electricity
- Supports the Government initiative in accordance with the capacity allocated to Renewable Energy generation in IRP 2010-2030
- Positive impact on the environment
- Aim to displace electricity generated from fossil fuel based power plants currently supplied to the South African National Grid
- Potential to reduce green house gas emissions by 277 594 tons CO2 equivalent
- Skills transfer to South African citizens
- Sustainable Job Creation first at the local community level and then at a National level
- Foreign direct investment into South African economy
- Contribute to the successful introduction of Independent Power Producers in South Africa
Socio Economic Development Contributions (1/2)

- A Trust, has been established to address the ownership by local communities with 2.5% shareholding in the project company. The Trust has been established to benefit Black People as defined in the Codes. Cash flows from ED and SED will be directed through the Trust to meet the specific needs of the community. Community needs identified:
  - Young children (pre-schoolers) who need to be placed in a crèche or school environment
  - Poverty alleviation and job creation
  - Provision of resources for Education and the provision of support and assistance to develop Numeracy, Literacy and English in the various schools. Support for Maths and Science initiatives in these areas to develop and strengthen these skills among learners.
  - Skills development for young people
  - Entrepreneurship
  - Alcoholism education and rehabilitation

- Areas of development:

<table>
<thead>
<tr>
<th>Developmental Area</th>
<th>% Allocation of SED Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>- Foundation Phase (Early Childhood Development, Grade R to Grade 3)</td>
<td>52%</td>
</tr>
<tr>
<td>- Intermediate Phase (General Education and Training, Grade 4 to Grade 9, including teacher development)</td>
<td>15%</td>
</tr>
<tr>
<td>- Further Education and Training (Gr10 to Grade 12)</td>
<td>30% (10% teachers)</td>
</tr>
<tr>
<td>- Higher Education (Bursaries)</td>
<td>5%</td>
</tr>
<tr>
<td>- Adult Based Education Training (ABET)</td>
<td>2%</td>
</tr>
<tr>
<td>Skills Development</td>
<td>25%</td>
</tr>
<tr>
<td>Enterprise/Business Development</td>
<td>20%</td>
</tr>
</tbody>
</table>
Socio Economic Development Contributions (2/2)

- Micawber 862 (Pty) Ltd has met or exceeded all requirements needed to be bid compliant with respect to Economic Development obligations. Wherever practically possible best efforts will be made to further exceed the commitments already made under the Procurement Programme.

- BEE shareholding of 20% to Tiso Resources (Pty) Ltd

- BBBEE entity with 2.5% shareholding with the local Black community as beneficiaries

- Shareholders are funding the BBBEE entity

- Additional income in the local area both to the participating land owners and the community

- Use of labour from the local community

- During construction there will be 305 RSA based employees working on the facility

- During Operation there will be 30 permanent jobs for RSA based employees

- Micawber 862 will make best efforts for valuable contributions to Enterprise Development

- Local procurement to be maximised within the confines of the bid submission

- A percentage of project revenues will be set aside for sustainable community projects with particular emphasis on education, skills development and enterprise development
Thank You