

5 November 2014

FOR IMMEDIATE RELEASE:

NEW HYDRO POWER PROJECT COMMENCES CONSTRUCTION SOUTH AFRICA

South Africa – November 3, 2014

Hydro-power developer NuPlanet Project Development Pty Ltd has achieved financial close and started construction on the 4.5 MW Stortemelk Hydro Project near Clarens in the Free State Province, South Africa.

The project, which was awarded Preferred Bidder status under Bid Window 2 of the South African Government's Renewable Energy Independent Power Producer (REIPP) Programme, will be constructed over a two-year period with commissioning scheduled for mid 2016.

Similar to the two hydro-power plants previously developed by NuPlanet for Bethlehem Hydro Pty Ltd, the project is situated on the Ash River and utilizes the outflow from the Lesotho Highlands Water Project. The project will be constructed using a "split contract" structure with an EPCM arrangement and not the common EPC structure, which is commonly used in the REIPP Programme. NuPlanet Managing Director, Anton-Louis Olivier explains the reasoning behind this: *'Based on our past experience with Bethlehem Hydro we realised that small hydro does not lend itself as easily to the EPC contract structure as do solar PV or wind projects. Fortunately our partners and lender agreed with this approach.'* The contractors to the Project are split between the 'water to wire' turbine, generator and switchgear contractors, Andritz Hydro GmbH of Germany and Indar Electrical SL of Spain, Aurecon South Africa Pty Ltd acting as the EPCM Contractor, whilst the civil works contract was awarded to Eigenbau Pty Ltd.

The capital cost of R 186 million (USD18 million) was financed with project finance debt from Rand Merchant Bank, while equity financing was provided by Renewable Energy Holdings, the Mertech Group and an independent broad based black economic empowerment (BBBEE) entity. According to Olivier this ownership structure is also a unique aspect of the project: *'Not only is Stortemelk is one of the few REIPP projects that is wholly South African owned, but our partners, the Mertech Group, is one of the largest philanthropic investors in South Africa. Combining that with the BBBEE ownership and an additional shareholding by a local Clarens based charity results in a business which is ploughing back the majority of its returns to poor communities across South Africa.'*

The project will employ some 50 people during its construction. The appointed operations and maintenance contractor, TMC Operations and Maintenance Pty Ltd, is also currently operating the Bethlehem Hydro power projects and has the expertise to operate the plant within a project finance context.

Olivier adds that through the ongoing co-operation with Aurecon, NuPlanet was able to implement a number of innovative measures in designing the Project to take into consideration environmental considerations, ensure maximum availability as well as optimising maintenance. This resulted into a vertical CAT turbine directly coupled to an air/water-cooled generator hence eliminating the forced ventilation and reducing the number of failure mechanisms. *“We’re building the power plant in one of the most beautiful parts of South Africa. The brief to the architects was to design a powerhouse top-structure that minimise visual impact and blended the power station to the surrounding environment”.*

NuPlanet is based in Cape Town, South Africa.

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NuPlanet Project Development Pty Ltd & Renewable Energy Holdings Pty Ltd

NuPlanet is a hydropower development company established in South Africa in 2006 by Anton-Louis Olivier. NuPlanet successfully developed two hydro power plants for Bethlehem Hydro, the 3MW Sol Plaatje (commissioned 2009) and the 4MW Merino (commissioned 2010) power plants. These were the first new hydro power plants in South Africa since the 1980’s and arguably the first commercial renewable energy independent power plants in South Africa.

Today NuPlanet and TMC are part of the Renewable Energy Holdings Group with backing from the Mertech Group (a South African privately owned investment group) and Norfund – the Norwegian Investment Fund for Developing Countries. NuPlanet and REH are developing various project opportunities in South Africa and across Southern and Eastern Africa.

www.nuplanet.co.za

www.mertech.co.za

www.norfund.no