

Karpowership SA (KPSA), a South African company that is 49% Black owned, welcomes the announcement made by the Department of Mineral Resources and Energy (DMRE) appointing KPSA as a Preferred Bidder for projects in the Ports of Coega, Saldanha and Richards Bay, to provide power to South Africa's national electricity grid under the Risk Mitigation Independent Power Producers Procurement Programme (RMIPPPP).

Preferred Bidders have been selected through an open, highly regulated and transparent bid process determined by the DMRE. The ideal solutions for this bid were hybrid renewable options and Liquefied Natural Gas (LNG) to Power proposals, due to the nature of the bid and the needs of the South African population. The KPSA bid offers low-cost electricity generation, supported by a clean thermal energy solution using LNG.

With Karpowership's globally established LNG-to-Power value chain and unique Powerships, KPSA offers a solution that promises fast-track access to reliable electricity. KPSA has also committed to a comprehensive Economic Development Plan that will provide socio-economic uplift to local communities where we operate through job creation, skills development and local supplier procurement.

KPSA will endeavour to assist in the country's economic recovery by providing a reliable source of power for all sectors and industries in order to meet South Africa's energy supply gap.

Karpowership SA will benefit from the global alliance of its parents with well-established and reputable brands such as Shell as our exclusive LNG supplier, and Mitsui O.S.K. Lines, Ltd. (MOL) from Japan, a world leader in LNG shipping industry, KPSA can assure a smooth transition to efficient and reliable electricity in South Africa at the most competitive cost.

Karpowership SA has already been extensively working with local and international lenders as a part of its bid submission and will continue these efforts.

Our Powerships, which are fully self-contained floating power stations that operate on regasified LNG, together with specialized floating storage and regasification units (FSRUs) for the LNG, are constructed and immediately available for deployment in South Africa.

Powerships will contribute to the avoidance of load shedding during peak periods and when unplanned breakdowns occur at other power plants in the system. Powerships are also a cost-effective way to procure and deliver reliable electricity with inherent additional benefits to the grid system. Using LNG, Powerships generate electricity at an affordable all-inclusive delivered cost, which includes all capital costs such as fuel, equipment, as well as all operational and maintenance costs.

As South Africa focuses on rebuilding the economy following a devastating second wave of Covid-19 infections and restrictions, businesses and communities can rest

assured that Powerships will mitigate the impact of load-shedding and its effect on livelihoods. KPSA will stand shoulder to shoulder with fellow South Africans, bridging the energy gap with a clean, reliable, cost-effective source of power.

As part of our commitment to the South African government's just energy transition, KPSA has committed to ensure that at least 65% of our workforce will be South African, employed from local communities. Our comprehensive Economic Development Plan is weighted towards long-term jobs, skills development, and economic upliftment in local communities at each of the three ports where Powerships will be stationed.

As a responsible corporate citizen that operates in accordance with global standards and best practice, KPSA will ensure and maintain all local and international environmental codes and practices in order to preserve, protect and enhance South Africa's oceans, ports and sensitive environmental areas.

KPSA looks forward to working with the South African government and South African people, to ensure energy security for all South Africans.