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SOUTH AFRICA DEPARTMENT OF ENERGY AWARDS 100 MW SOLAR THERMAL POWER PROJECT TO CONSORTIUM LED BY SOLARRESERVE AND ACWA POWER

World's leading molten salt energy storage technology to deliver lowest price electricity from Concentrating Solar Power in South Africa



JOHANNESBURG, South Africa, January 8, 2015 – The South Africa Department of Energy (DOE) awarded preferred bidder status for a 100 megawatt (MW) Concentrating Solar Power (CSP) project to a consortium led by [SolarReserve](#), a leading global developer of utility-scale solar power projects and advanced solar thermal technology, and International Company for Water and Power Projects ([ACWA Power](#)), the Saudi water and power developer, owner and operator. The project was developed in response to the DOE's Round 3 (CSP) Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). The Redstone Solar Thermal Power project, with the lowest tariff bid to date from any CSP project in the country, is scheduled to achieve financial close later in 2015 and commence operations in early 2018.

The first of its kind in Africa, the Redstone Solar Thermal Power Project features SolarReserve's world-leading molten salt energy storage technology in a tower configuration with the capability to support South Africa's demand for energy when it's needed most - day and night. The 100 MW project with 12 hours of full-load energy storage will be able to reliably deliver a stable electricity supply to more than 200,000 South African homes during peak demand periods, even well after the sun has set. Fueled

completely by the sun, with no back up fuel required, the project also features dry cooling of the power generation cycle as an important element to minimize water use. The project technology will be based on SolarReserve's successful Crescent Dunes project in the US, which is complete with construction and currently in final commissioning.

“The Redstone project marks an important technology advancement for South Africa in solar power,” said SolarReserve's CEO Kevin Smith. “Due to the fully integrated thermal energy storage, the plant will provide dispatchable power on-demand, just like conventional coal, oil, nuclear or natural gas-fired power plants, but without the harmful emissions or hazardous materials and without any fuel cost. In addition, the project's delivered electricity price is the lowest of any Concentrating Solar Power project in the country to date.” Smith added, “We appreciate the support of the South African Government and look forward to working with our partner ACWA Power and the communities where the project is located to help South Africa meet its renewable energy targets, stimulate long-term economic development and create new jobs.”

“This Redstone Solar Project together with our 50 MW Bokpoort CSP project in South Africa and the Noor1, 160 MW solar thermal power plant at Ouarzate in Morocco, extends ACWA Power's success in solar energy on the African continent. The Redstone Solar Project is another successful bid where we challenged ourselves to deliver the lowest tariff to date in the REIPPP programme for electricity generated wholly with solar power but dispatchable reliably both at day and night; again demonstrating ACWA Power's commitment to reliably deliver electricity at the lowest possible cost. All aspects of the project, from development phase to construction and then operations, have been structured to ensure maximization of value retention in not just only the South African economy, but also within the local economy of Northern Cape Province recognizing the intrinsic value in co-developing local people along with this asset which will co-exist with the local community for decades to come,” said Paddy Padmanathan, President and CEO of ACWA Power.

The Redstone Solar Thermal Power Project will be located in Postmasburg, near Kimberley in the Northern Cape Province, adjacent to the 75 MW [Lesedi](#) and 96 MW [Jasper](#) photovoltaic (PV) solar power projects successfully developed by SolarReserve and its investment partners. Together, the three projects comprise the world's first combined CSP and PV solar park with a total of 271 MW of generating capacity. Under the REIPPPP process, the projects ensure robust local participation and technology transfer, and are structured to exceed the minimum REIPPPP requirements for BBBEE (Broad-Based Black Economic Empowerment) equality on job creation, local content, ownership, management, procurement, and enterprise development. All of the projects, as mandated under the REIPPPP, set aside a percentage of total project revenues for enterprise and socioeconomic development which will be invested for the benefit of local communities.



The Redstone project will create more than 800 direct jobs during the construction phase comprised of craft workers on site and will also create significant additional jobs related to equipment supply, manufacturing, engineering, transportation and other services. Over 40% of the total project value will be provided by South African suppliers – a portion of which will support BBBEE activities. South African companies will provide investment in the project of at least R2.4 billion and the tax revenue forecast contribution for the Redstone project is estimated to be in excess of R6 billion in income tax over the first 20 years of operation. In addition, during the more than 30-year operating life, the project will expend over R150 million per year in salaries and other operating costs, including land, insurance, and maintenance activities.

“SolarReserve and ACWA Power have further advanced solar thermal projects in development in South Africa under the progressive REIPPPP,” said Alistair Jessop, SolarReserve’s Senior Vice President of Development. “We look forward to continuing our partnership here as well as in growing markets such as the Middle East.”

Rajit Nanda, Chief Investment Officer, ACWA Power, said: “ACWA Power is also particularly pleased to yet again lead in the field of project financing by structuring this innovative tower technology based solar power project with SolarReserve based on a project finance arrangement. The Redstone Project marks another significant milestone in ACWA Power’s target of adding renewable energy capacity to its multi-fuel portfolio of assets capable of generating 15.5 gigawatts of electricity and producing 2.4 million cubic meters of desalinated water.”

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About SolarReserve (www.solarreserve.com)

SolarReserve, LLC – headquartered in Santa Monica, California – is a leading developer of utility-scale solar power projects and advanced solar thermal technology with more than \$1.8 billion of projects in construction and operation worldwide. SolarReserve’s experienced team of power project professionals has assembled an extensive 5,000 MW worldwide development portfolio of large-scale solar projects. The company’s diverse portfolio of solar power projects is comprised of advanced solar thermal technology (CSP), photovoltaic (PV) technology, and hybrid (combined CSP and PV) solutions that can deliver solar energy that is cost competitive with conventional energy sources, including projects that can provide reliable solar energy 24-hours per day .

SolarReserve’s 110 MW [Crescent Dunes Solar Energy Plant](#) located in Nevada is the world’s first utility-scale facility to feature advanced molten salt power tower energy storage capabilities. The project,



complete with construction and currently in the commissioning phase, is scheduled to commence full operations in early 2015 and will be the only operating utility scale molten salt power tower on the planet. Crescent Dunes will generate more than 500,000 megawatt-hours per year and includes 10 hours of full-load energy storage. This annual output is more than twice that of other technologies per MW of capacity, such as photovoltaics (PV) or direct steam solar thermal. The storage technology developed by SolarReserve also eliminates the need for any backup fossil fuels, such as natural gas, which are needed with other solar technologies to keep the system operating during times of reduced solar resource. Nevada's largest electric utility, NV Energy, will purchase 100 percent of the electricity generated by the Crescent Dunes project under a 25-year power purchase agreement and is expected to dispatch the project to generate solar generated electricity until 12 midnight in order to meet its peak energy demand periods.

Along with the 100 MW Redstone CSP project, SolarReserve currently has three photovoltaic projects, totaling 246 MW of generation capacity in operation in South Africa. The [Lesedi](#) and [Letsatsi](#) Projects, totaling 150 MW of installed capacity, [came online](#) in May 2014 and are capable of powering more than 130,000 South African homes with clean energy. The projects were selected as the "African Renewable Energy Deal of the Year" by Project Finance Magazine in 2012. The 96 MW [Jasper](#) power project, which [came online](#) in October 2014, is the largest solar installation in Africa.

In addition to its headquarters in the US, SolarReserve has offices in Chile, South Africa, Turkey, Spain, Australia and the United Arab Emirates, with activities underway in the Middle East, Africa, Australia, China, India and Latin America.

For more information: www.solarreserve.com

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About ACWA Power: www.acwapower.com

ACWA Power is a developer, investor, co-owner and operator of a portfolio of plants across 9 countries with a capacity to generate 15.5 GW of power and produce 2.5 million m³/day of desalinated water, and which has an investment value in excess of USD 22 billion.

ACWA Power was born out of the policy decision by the Kingdom of Saudi Arabia to increase private sector involvement in the power generation and desalinated water production sectors to include ownership and operation of assets, and has now grown to be an investor, developer and operator of power generation and desalinated water producing plants in which it has a meaningful economic interest and exercises management control.

The company was incorporated in the Kingdom of Saudi Arabia and has a paid-up capital of over USD 1.4 Billion. It is owned by eight Saudi conglomerates, Sanabil Direct Investment Company (owned by the Public Investment Fund), the Saudi Public Pensions Agency and the International Finance Corporation (a member of the World Bank Group).

From its base in Saudi Arabia, ACWA Power has already expanded or is expanding into the GCC, Jordan and Egypt and further afield to Turkey, Morocco, the southern cone of Africa and South East Asia. It has:

- Regional offices in Dubai, Istanbul, Rabat, Johannesburg, Maputo, Hanoi and Beijing
- A customer base that includes state utilities and an industrial major

The current portfolio of assets and investments delivers:

- 6,058 MW of power, 2.2 million m³/day of desalinated water and 1,230 tons/hour of steam capacity in Saudi Arabia
- 1,277 MW of power in Jordan
- 427 MW of power and over 136,000 m³/day of desalinated water in Oman
- 60MWp of power using Photo Voltaic (PV) technology in its solar plant in Bulgaria.

New capacity under construction includes:

- 6,147 MW of power, 55,000 m³/day of desalinated water and 1,015 tons/hour of steam capacity in Saudi Arabia.
- 160 MWe Concentrated Solar Power (CSP) plant at Ouarzazate and in Morocco
- 50 MWe CSP plant at Bokpoort in South Africa
- 926 MW CCGT plant at Kirikkale in Turkey

In addition, a 120 MW wind project in Morocco and a 275 MW coal fired power plant in Mozambique are in an advanced stage of development.

ACWA Power lives by its mission statement – to reliably deliver electricity and desalinated water at the lowest possible cost in our target countries and operates the business according to its values which are: Diversity, Rigor, Ingenuity, Fairness and Integrity.

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