Annexure "A"

mineral resources
& energy

Department:
Minerals Resources and Energy
REPUBLIC OF SOUTH AFRICA

POWERGROUP SA (PTY) LTD

c/o Mehmet Katmer

mehmet.katmer@karpowership.com

PER EMAIL

Dear Mehmet

RISK MITIGATION IPP PROCUREMENT PROGRAMME ("RMIPPPP PROJECT"): KARPOWERSHIP SA SALDANHA BAY PROJECT

1. Capitalised terms not otherwise defined in this letter shall, unless the context otherwise requires, have the same meaning ascribed to them in the Request for Qualification and Proposals for New Generation Capacity under the Risk Mitigation IPP Procurement Programme, issued on 23 August 2020 under Tender No: DMRE/001/2020/21 (the "**RFP**") and the letter of appointment in which the Department of Mineral Resources and Energy (the "**Department**" **or** "**we**") has appointed Karpowership Consortium ("**Preferred Bidder**" **or** "**you**") as a Preferred Bidder for the development of RM_TA_0145_003, the 320 MW LNG project to be located in the Western Cape ("**the RMIPPPP Project**").

2. In terms of clauses 34 and 35 of Part A (*General Requirements, Rules and Provisions*) of the RFP, all Bid Responses constituted irrevocable binding offers by the Bidder to the Department and remain valid and binding for 18 (eighteen) calendar months from the Bid Submission Date or as extended by agreement between the Department and the Bidder.

3. Similarly, in terms of Part A (*General Requirements, Rules and Provisions*) of the RFP, Commercial Close means the date on which the last of the suspensive conditions in Clause 3.1 (*Suspensive Conditions, Adjustment or Energy Rates and Term*) of the Implementation Agreement is fulfilled, being on or before the expiry of the Commercial Close Period. In terms of the same, the Commercial Close Period means a period of one hundred and twenty (120)

days from Signature Date, as may be amended in accordance with the provisions of the Implementation Agreement from time to time.

4. We refer to your correspondence with the Department's IPP Office, and your email dated 30 June 2023 wherein you agreed to the extension of the Bid Validity Period in respect of the RMIPPPP Project to 31 December 2023, as requested by the Department's IPP Office in its email dated 28 June 2023. In the Department's IPP Office's email dated 28 June 2023, the longstop date for Commercial Close for the RMIPPPP Project was also extended to end of December 2023 (31 December 2023).

5. As you are aware, the extended date for Commercial Close has come and passed without the Project Agreements being concluded or your projects reaching Commercial Close. Additionally, the extended Bid Validity Period has also lapsed as of 31 December 2023. Concurrent with the expiry of the Bid Validity Period, your Preferred Bidder Guarantee has lapsed in accordance with its terms.

6. In the circumstances, we hereby confirm that, in view of the lapsing of the Bid Validity Period without you having signed the Project Agreements and satisfied the conditions relating to Commercial Close, your status as Preferred Bidder has now terminated by operation of law and in accordance with clause 24.6 Part A (*General Requirements, Rules and Provisions*) of the RFP, your Preferred Bidder Fee will not be reimbursed.

7. Please acknowledge receipt of this letter.

8. The Department's rights remain reserved.

Yours Sincerely,

MR. JACOB MBELE
DIRECTOR GENERAL
DATE: 26|9|2024

mineral resources
& energy

Department:
Minerals Resources and Energy
REPUBLIC OF SOUTH AFRICA

POWERGROUP SA (PTY) LTD

c/o Mehmet Katmer

mehmet.katmer@karpowership.com

PER EMAIL

Dear Mehmet

RISK MITIGATION IPP PROCUREMENT PROGRAMME ("RMIPPPP PROJECT"): KARPOWERSHIP SA COEGA PROJECT

1. Capitalised terms not otherwise defined in this letter shall, unless the context otherwise requires, have the same meaning ascribed to them in the Request for Qualification and Proposals for New Generation Capacity under the Risk Mitigation IPP Procurement Programme, issued on 23 August 2020 under Tender No: DMRE/001/2020/21 (the "**RFP**") and the letter of appointment in which the Department of Mineral Resources and Energy (the "**Department**" **or** "**we**") has appointed Karpowership Consortium ("**Preferred Bidder**" **or** "**you**") as a Preferred Bidder for the development of RM_TA_0145_001, the 450 MW LNG project to be located in the Eastern Cape ("**the RMIPPPP Project**").

2. In terms of clauses 34 and 35 of Part A (*General Requirements, Rules and Provisions*) of the RFP, all Bid Responses constituted irrevocable binding offers by the Bidder to the Department and remain valid and binding for 18 (eighteen) calendar months from the Bid Submission Date or as extended by agreement between the Department and the Bidder.

3. Similarly, in terms of Part A (*General Requirements, Rules and Provisions*) of the RFP, Commercial Close means the date on which the last of the suspensive conditions in Clause 3.1 (*Suspensive Conditions, Adjustment or Energy Rates and Term*) of the Implementation Agreement is fulfilled, being on or before the expiry of the Commercial Close Period. In terms of the same, the Commercial Close Period means a period of one hundred and twenty (120)

days from Signature Date, as may be amended in accordance with the provisions of the Implementation Agreement from time to time.

4. We refer to your correspondence with the Department's IPP Office, and your email dated 30 June 2023 wherein you agreed to the extension of the Bid Validity Period in respect of the RMIPPPP Project to 31 December 2023, as requested by the Department's IPP Office in its email dated 28 June 2023. In the Department's IPP Office's email dated 28 June 2023, the longstop date for Commercial Close for the RMIPPPP Project was also extended to end of December 2023 (31 December 2023).

5. As you are aware, the extended date for Commercial Close has come and passed without the Project Agreements being concluded or your projects reaching Commercial Close. Additionally, the extended Bid Validity Period has also lapsed as of 31 December 2023. Concurrent with the expiry of the Bid Validity Period, your Preferred Bidder Guarantee has lapsed in accordance with its terms.

6. In the circumstances, we hereby confirm that, in view of the lapsing of the Bid Validity Period without you having signed the Project Agreements and satisfied the conditions relating to Commercial Close, your status as Preferred Bidder has now terminated by operation of law and in accordance with clause 24.6 Part A (*General Requirements, Rules and Provisions*) of the RFP, your Preferred Bidder Fee will not be reimbursed.

7. Please acknowledge receipt of this letter.

8. The Department's rights remain reserved.

Yours Sincerely,

MR. JACOB MBELE
DIRECTOR GENERAL
DATE: 26/9/2024

mineral resources
& energy

Department:
Minerals Resources and Energy
REPUBLIC OF SOUTH AFRICA

POWERGROUP SA (PTY) LTD

c/o Mehmet Katmer

mehmet.katmer@karpowership.com

PER EMAIL

Dear Mehmet

RISK MITIGATION IPP PROCUREMENT PROGRAMME ("RMIPPPP PROJECT"): KARPOWERSHIP SA RICHARDS BAY PROJECT

1. Capitalised terms not otherwise defined in this letter shall, unless the context otherwise requires, have the same meaning ascribed to them in the Request for Qualification and Proposals for New Generation Capacity under the Risk Mitigation IPP Procurement Programme, issued on 23 August 2020 under Tender No: DMRE/001/2020/21 (the "**RFP**") and the letter of appointment in which the Department of Mineral Resources and Energy (the "**Department**" **or** "**we**") has appointed Karpowership Consortium ("**Preferred Bidder**" **or** "**you**") as a Preferred Bidder for the development of RM_TA_0145_002, the 450 MW LNG project to be located in KwaZulu-Natal ("**the RMIPPPP Project**").

2. In terms of clauses 34 and 35 of Part A (*General Requirements, Rules and Provisions*) of the RFP, all Bid Responses constituted irrevocable binding offers by the Bidder to the Department and remain valid and binding for 18 (eighteen) calendar months from the Bid Submission Date or as extended by agreement between the Department and the Bidder.

3. Similarly, in terms of Part A (*General Requirements, Rules and Provisions*) of the RFP, Commercial Close means the date on which the last of the suspensive conditions in Clause 3.1 (*Suspensive Conditions, Adjustment or Energy Rates and Term*) of the Implementation Agreement is fulfilled, being on or before the expiry of the Commercial Close Period. In terms of the same, the Commercial Close Period means a period of one hundred and twenty (120)

days from Signature Date, as may be amended in accordance with the provisions of the Implementation Agreement from time to time.

4. We refer to your correspondence with the Department's IPP Office, and your email dated 30 June 2023 wherein you agreed to the extension of the Bid Validity Period in respect of the RMIPPPP Project to 31 December 2023, as requested by the Department's IPP Office in its email dated 28 June 2023. In the Department's IPP Office's email dated 28 June 2023, the longstop date for Commercial Close for the RMIPPPP Project was also extended to end of December 2023 (31 December 2023).

5. As you are aware, the extended date for Commercial Close has come and passed without the Project Agreements being concluded or your projects reaching Commercial Close. Additionally, the extended Bid Validity Period has also lapsed as of 31 December 2023. Concurrent with the expiry of the Bid Validity Period, your Preferred Bidder Guarantee has lapsed in accordance with its terms.

6. In the circumstances, we hereby confirm that, in view of the lapsing of the Bid Validity Period without you having signed the Project Agreements and satisfied the conditions relating to Commercial Close, your status as Preferred Bidder has now terminated by operation of law and in accordance with clause 24.6 Part A (*General Requirements, Rules and Provisions*) of the RFP, your Preferred Bidder Fee will not be reimbursed.

7. Please acknowledge receipt of this letter.

8. The Department's rights remain reserved.

Yours Sincerely,

MR. JACOB MBELE
DIRECTOR GENERAL
DATE: 26/9/2024