

Mr. Lance Fenn
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Date:
22 July 2015

Enquiries:
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Ms. TC Mawela

Ref no: 148195522&148195528

Dear Mr Fenn

SUBJECT: REQUEST FOR A LETTER OF COMFORT FOR A NEW SUPPLY FOR MUSINA SPECIAL ECONOMIC ZONE (SEZ)

Thank you for accepting Eskom's Cost Estimate Letter (CEL) dated 06 July 2015 and for conforming that you will pay the Upfront Distribution Standard Connection Charge as stated in the said CEL.

Eskom has noted your request mentioned in your email dated 20 July 2015 wherein Limpopo Economic Development Agency (LEDA) requested Eskom to write them a letter of comfort to confirm the availability of power (20MVA) and continuity of supply from Eskom's Messina substation for both sites(Antonvilla Farm and Mopane station).

Eskom is currently compiling the schedule of activities to provide this supply and has engaged the services of its consultant EOA Engineering Company and has also involved from LEDA –Musina SEZ to ensure that the commercial supply of this electricity meets your expected requirements.

Eskom would like to further respond by highlighting the following:

It will take approximately 4 (four) to 8 (eight) months from the date of payment of the Quotation Fee to provide a budget quotation. In order to provide a budget quotation, Eskom will incur costs including, but not limited to, surveys, environmental impact assessments and preliminary design. These costs will be payable when requesting a budget quotation and will be reflected as a Quotation Fee under the section dealing with financial details.

The estimated duration of making the supply available will be confirmed upon acceptance of the budget quotation. Once Eskom has received the deposit for the budget quotation from LEDA – Musina SEZ, the engineering work as per the accepted schedule of activities referred to in third paragraph above will be processed accordingly.

The cost estimate letter referred to above was provided at a time when Eskom is experiencing electricity generation, transmission and distribution constraints and also stability constraints of its interconnected power system. Capacity is going to be severely constrained for the next 7 (seven) to 10 (ten) years and electricity must be used as efficiently as possible. From time to time Eskom may have a shortage of generation capacity and may not be able to meet the energy and capacity required by all its customers.

When entering into any later contract with Eskom, such contract will include provisions to the effect that Eskom shall have the right, for purposes of the efficient operation and extension of Eskom's generation, transmission and distribution systems and also in emergencies, to temporarily interrupt the supply to you.

You will be required to collaborate in determining the portion of your load which will be reduced through Eskom's Load Curtailment and/or Manual Load-shedding and/or Under-frequency Load-shedding schemes, or by other means, if Eskom should experience a shortage of generation and/or transmission and/or distribution capacity.

Energy efficiency:

When entering into any later contract with Eskom, such contract will include provisions to the effect that you will be required to use energy efficient technologies and equipment in accordance with good practice in the mining sector, and also to ensure that your electrical installation complies with the energy efficiency specifications attached hereto.

Yours sincerely



Henry Netshakhuma
SENIOR ADVISOR – KEY SALES AND CUSTOMER SERVICE
Group Customer Service - Limpopo Operating Unit

SUBJECT: REQUEST FOR A LETTER OF COMFORT FOR A NEW SUPPLY FOR LIMPOPO ECONOMIC DEVELOPMENT AGENCY (LEDA) MUSINA – SEZ SITUATED AT LIMPOPO MUSINA. (ANTONVILLA AND BOKMAKIERIE)