

Investment Opportunities Arise as SA's Energy Minister looks at Producing Power Outside of Eskom

*Now, more than ever, is the time to attend the **Africa Energy Indaba** where attendees will be privy to the latest insights and opportunities relating to the Minister of Mineral Resources and Energy's latest announcement.*

FOR IMMEDIATE RELEASE

Cape Town, February 6, 2020; The Minister of Mineral Resources and Energy, Gwede Mantashe revealed on Tuesday that government is looking forward to creating a new entity with the ability to generate power independently from Eskom. He communicated to the audience that government will provide license-free permission to mining companies to generate power for their own consumption.

It is imperative to note that Eskom, the state-owned power utility company, has amassed a massive debt without providing any path toward profitability at current prices. This has resulted in continuous power load shedding and inability to repay the debt. During his briefing following his address, Mantashe revealed that an invitation has been sent to various investors interested in either partnering up with government or making a private investment to create alternate power generation sources. According to the minister of Mineral Resources and Energy:

TELEPHONE

+27 11 463 9184

PHYSICAL ADDRESS

268 Bryanston Drive,
Bryanston, 2194

POSTAL ADDRESS

PO Box 3738,
Cramerview, Johannesburg,
South Africa, 2060

EMAIL

info@energyindaba.co.za

WEBSITE

www.energyindaba.co.za

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"By this time next year, we hope we can say we have a site for energy generation outside of Eskom. We want people to sell energy through transmission. We want to take the pressure off of Eskom."

The minister believes that any such venture should ideally be a government and private investor partnership enabling both parties to consolidate their resources. Working in tandem will enable them to deploy a diverse variety of technologies and power generation modes, including gas, solar power and clean coal. The minister further divulged that the idea of creating alternative power generation was inspired by a model from the Netherlands which is expected to enhance the competition to close the energy gap while reducing prices for commercial as well as residential consumers.

This presents a great opportunity for African investors to become a constituent of a highly profitable energy sector where demand is only going to increase in the coming years. Eskom's current theoretical capacity is slated at 45,000 MW; however, the state-run power venture has failed to generate more than two thirds of its capacity. This implies a deficit of 15,000 MW to be offset and industrialists, miners and other stakeholders are willing to pay a reasonable price in this regard.

This particular investment opportunity entails financial gains along with forging strategic alliances within government ranks. According to Eskom's CEO, André de Ruyter, it may take more than a year for the company to repair the power stations in an endeavour to alleviate the shortage. The severe power cuts in December 2019 have put the South African incumbent government on the defensive with mounting pressure from all the stakeholders. As such, investors will possess an extensive amount of leverage to strike a favorable deal. As it stands, the government has already announced to waive off the condition of a license.

Now, more than ever, is the time to attend the **Africa Energy Indaba** where attendees will be privy to the latest insights and opportunities relating to the Minister of Mineral Resources and Energy's latest announcement. Since its inception in 2009, the **event** has been pivotal in imparting prevalent and elucidating sectoral news and this year will be no exception. The forum appeals to anyone interested in capitalising on the opportunities presented by the energy sector in Africa. The latest energy news and developments will feature in the conference and set the springboard for the way forward in the African and South African energy sector. This premium event provides the quintessential platform from which ground-breaking energy related topics will be thoroughly unpacked, addressing the associated challenges and discussing the various solutions thereof.

Press Release Ends

ABOUT AFRICA ENERGY INDABA

2020 Theme: "African Energy – Catalysing Investment and Business Opportunities"

The Africa Energy Indaba is the continent's definitive energy event, providing an agenda that influences energy policy for Africa. Attended by Ministers and decision-makers, the prestigious event serves as the ideal platform for achieving Africa's energy vision for a sustainable energy future and keeping abreast of global energy competitors in this dynamic



landscape. The event has proven its success year on year, demonstrating extreme efficaciousness in addressing key issues impacting the African energy sector while devising solutions to best mitigate these pressing concerns. Strategic partnerships with the World Energy Council, the South African National Energy Association and the NEPAD Planning and Coordinating Agency ensure the event is backed by leading energy drivers. The symposium provides invaluable business growth opportunities for the continent's energy realm, subsequently inspiring much-needed transformation within the sector.

For media queries, please contact: Thembisa Bambathi

Email: thembisa@energyindaba.co.za

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