



PRESS RELEASE

INCREASINGLY HIGH ELECTRICITY COSTS AND MEDUPI DELAY FUELLING THE NEED FOR RENEWABLE POWER IN SA

***Johannesburg, 23 July 2013:* It was recently reported that South Africa has the most expensive natural gas and the 15th most expensive electricity in the world out of the countries surveyed. The price of electricity in South Africa also showed the third largest increase over the survey period. This is according to NUS Consulting Group's annual International Energy Report & Price Survey – a comprehensive analysis and discussion of energy market developments, as well as year-on-year price movements and forecasts in countries around the world.**

According to Arthur Chien, CEO of Talesun Energy, a leading supplier of solar energy, it is due to the fact that electricity prices are set to increase again in the next year and coupled with the delay in completion of the Medupi power station that South Africa seriously needs to increase the use of renewable energy. This will help to reduce the cost for businesses and consumers, who are being 'strangled' by these increases.

Chien points to information released by the International Energy Agency (IEA), which revealed that renewable energy is the fastest-growing power generation sector in the world, and is expected to increase by 40% in the next five years, as well as make up a quarter of the world's energy mix by 2018. "South Africa however has far to go in order to catch up to the rest of the developing world when it comes to the implementation of renewable energy sources."

He says that the delay in the completion of the Medupi plant will place even more strain on the already overloaded grid. "By increasing the use of renewables into the South Africa's energy mix, the country's electricity generation would not be under as much strain. Investing in renewables also makes good business sense and will assist in reducing the significant constraints placed on economic growth and job creation.

Chien says that the growth in electricity demand in South Africa has resulted in the depletion of Eskom's generation reserves, hence, the shortfall in coal supply. This poses major problems for South Africa, as Eskom currently relies heavily on coal fired power stations to produce approximately 90% of its electricity.

"As the need for electricity increases, the nation needs to look for alternate energy sources, especially at the widespread power shortages that South Africa has been experiencing since 2008. Chien explains that



these challenging factors are all making renewable energy sources, such as photovoltaic electricity generation, attractive for the country, especially in certain sectors, such as the manufacturing industry, which relies heavily on electricity generation for the powering of machinery and for cooling purposes.

He says that South Africa's businesses are not taking the electricity hike lightly. Local Manufacturing lobby group, The Manufacturing Circle, have expressed their concerns about the high energy prices that South Africa has in comparison with its Brics counterparts. They say that energy prices in India, Russia and Brazil declined between 2000 and 2010 by between 2% and 36.5%. Brazil went so far as to grant a 30% discount on electricity rates to industrial users this year. "The reality is that electricity in South Africa will continue to increase as the infrastructure and maintenance costs of coal stations are very high. In this regard, renewable energy is more viable as its facilities generally require less maintenance than traditional generators. With fuel originating from natural and freely available resources, the cost of operation reduces significantly."

Chien says that the solar energy market is rapidly growing globally and South Africa's challenge is to continue to broaden its portfolio of photovoltaic solutions locally, in order to meet the needs of the commercial and consumer markets.

"The beauty of solar energy is that it is renewable and therefore sustainable. Due to the nature of the technology, it can be generated anywhere in the country, from small domestic scale right up to massive solar parks. "Most importantly, solar photovoltaic power produces little or no waste product, such as carbon dioxide or other chemical pollutants, and therefore has minimal impact on the environment," he concludes.

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About Talesun Energy

Talesun Energy, a subsidiary of global solar solutions company Zhongli Talesun Solar, consistently produces industry-leading quality, crystalline photovoltaic modules manufactured in one of the world's largest, fully automated production facility (2,260,000 square feet or the size of forty football fields). This systematic production process provides Talesun customers with front-runner price-performance ratios. Supporting its partners in the solar value chain, Talesun Energy also offers project development services, engineering support and financing. As an advancing solar leader, Talesun is dedicated to delivering exceptional sales support and customer service in Europe, the United States, Africa, South America, Japan, Australia and China. Zhongli Talesun Solar is a subsidiary of Zhongli Sci-Tech Group Co., Ltd., an international market leader in special cables, optical fiber cables and photovoltaic product manufacturing. For more information please visit www.talesunenergy.com

Contact:

Simone Lintermann
Talesun Solar Germany GmbH
Head of Marketing EMEA
Central Tower München
Landsberger Straße 110

Talesun Energy

International Project & Investment Headquarters
info@talesunenergy.com · www.talesunenergy.com



80339 Munich Germany
Tel: +49 (0)89-189177-0
E-Mail: simone.lintermann@talesun.com

Lucia Trz
Account Manager
Epic Communications (Pty) Ltd
Cape Town: Suite 602, The Regent, 19-33 Regent Road
Sea Point, Cape Town
Office: +27 21 439 8008
Mobile: +27 78 318 9187
www.epiccommunications.co.za

