

PRESS RELEASE

SA MINES TO INVEST MORE HEAVILY IN RENEWABLE ENERGY AS POWER COSTS RISE

SA forecast to follow international financial assistance mechanism trend

11. March 2014: Renewable energy technologies will supply between 5% and 8% of the world's mining industry power consumption by 2022, according to research released last week by Navigant Research. The report, which analyses the global market for renewable energy in the mining industry, predicts that renewable energy will pick up significantly in the industry, as innovative finance mechanisms increase.

According to Arthur Chien, CEO of Talesun Energy, increased adoption of renewable energy practices is the key driver to achieving a sustainable future for South Africa's mining sector.

"Renewable energy provides stable and reliable electricity generation. For example, Eskom, which is constantly under pressure to increase capacity and revitalise its grid, is currently suffering major outages effecting businesses all around the country. Moreover, in February four generators tripped and as a result the energy provider requested that mines reduce consumption by 10%. Eskom says there is enough electricity capacity to meet the country's current demand, but reserve margins remain tight. This is a serious cause for concern for many mining houses."

Chien says that the mining sector consumes copious amounts of energy and therefore cannot afford to ignore increasing electricity prices. He says that investment in renewable energy is the only viable solution for the industry to ensure reliability of electricity flow, reduce electricity bills, improve carbon and greenhouse gas emissions, as well as reduce negative environmental impacts of operations.

"Finance for renewable energy is currently hard to come by, but there are solutions on the horizon in the form of financial mechanisations, such as power purchase agreements, green banks and green or climate bonds, which could potentially provide low-cost long-term financial support to South Africa's mining stakeholders."

He advises that South Africa look abroad to countries that are successfully making use of financial assistance mechanisms. "Clean energy finance banks or "Green Banks" are becoming the latest in clean energy finance technology in the US. Green banks are state-sponsored non-profit lenders that provide long term, low-cost financing support for the specific purpose of funding environmental projects, which results in increased public-private investing in clean energy."

Chien says finance mechanisms like green banks and climate bonds by green banks, corporations, governments, or agencies, to finance renewable energy projects, are a feasible way for South African

mining companies to raise capital for renewable energy projects. He explains that the issuer earns their return on investment through the payback on energy savings, feed-in tariffs to the national grid, or via an issuing entity which would provide financing with low interest rates and extended payback times.

“These mechanisms should gradually encourage the mining sector and other sectors to invest in green technologies.”

Chien refers specifically to Canada, which is making headwinds in the green bond market. “Export Development Canada (EDC) recently issued its first green bond which raised \$500 million from investors including Argentina, USA, UK and Australia. In the USA the state governments in Connecticut and New York are currently authorising the creation of a green bank which provides financing, such as loans, guarantees, or credit buy-downs, for clean energy projects.”

Chien says that as a result some mining companies in South Africa have already taken initiative to switch their energy reliance from the grid to solar energy. Cronimet chrome mine in Limpopo made the transition to solar in 2013 and Sibanye Gold is conducting a study whereby solar energy will feed 15% of its electricity generated by solar modules to its mines as it is stable source of electricity

Furthermore, Chien says renewable energy is a practical option for mining companies that operate in remote, isolated areas where grid power is unreliable and more costly.

“By including emerging renewable energy strategies and technologies such as PV solar modules into their business models, South Africa’s mining sector can be more efficient in terms of energy consumption. In doing so they will improve energy usage, security of energy supply and long-lasting contributions to 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
80339 Munich Germany
Tel: +49 (0)89-189177-0
E-Mail: simone.lintermann@talesun.com

Lucia Tvrz
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