



**NEWS EDITOR
FOR IMMEDIATE RELEASE**

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MEDIA RELEASE

Recent media reports on the alleged directive from the Zimbabwean Energy Minister to ZESA (the Zimbabwean power utility) to stop energy exports to Namibia has generated much public interest and consumer panic. NamPower understands these concerns and thought it prudent to shed more light on this deal and the media reports in the interest of the public:

1. Two agreements were signed in 2007 between NamPower and ZESA: One addressing the loan for the rehabilitation of the Hwange power station (up to USD 40 million) and the other a firm power purchase agreement (PPA) in terms of which NamPower would be supplied with 150MW by ZESA for a period of 5 years.
2. NamPower and ZESA agreed on the modalities in which the loan would be advanced and managed, and the eventual export of power to Namibia once the first unit at Hwange has been refurbished.
3. The parties have further agreed to the terms and conditions covering events of default, should these arise and both parties, i.e. NamPower and ZESA are satisfied. The agreement contains confidential information which cannot be divulged to the public (as demanded by some media houses) as we are bound by confidentiality clauses.

NamPower and ZESA have for a long time maintained good trading relations and NamPower is proud to state that, in the past couple of years, under the existing bilateral agreement between the two utilities, ZESA has been willing to assist NamPower when required. ZESA is also regarded by all its peers in the SADC region as a well managed utility with professional technical experts.

NamPower has so far not received any official communication from ZESA confirming the media reports and it is business as usual between ZESA and NamPower.

We hope that the above explanation sets the record straight and we apologise for the inconvenience and confusion caused by the media reports.

ISSUED BY THE CORPORATE COMMUNICATIONS SECTION OF NAMPOWER.

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