

HULISANI LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2015/363903/06)
Share code: HUL ISIN: ZAE000212072
("Hulisani" or "the Company")

ACQUISITION OF AN INDIRECT 12,5% SHAREHOLDING IN GRI WIND STEEL
SOUTH AFRICA PROPRIETARY LIMITED ("GRI WSSA")

1. INTRODUCTION

Hulisani is pleased to announce that it has entered into an agreement to acquire an indirect 12,5% shareholding in GRI WSSA from GRI Renewables Industries, SL ("GRI") for a subscription price of R41,25 million by way of a cash subscription for a 50% shareholding of Pele SPV13 Proprietary Limited ("Pele13") (the "Hulisani Subscription"), which in turn has entered into an agreement with GRI to acquire a 25% shareholding in GRI WSSA (the "Acquisition") for an amount of R82,5 million.

In addition, Hulisani has subscribed for preference shares to the amount of R41,25 million in Pele198 (RF) Proprietary Limited ("Pele198"), to enable Pele198 to fund its indirect 12,5% shareholding in GRI WSSA by way of subscription for a 50% shareholding of Pele13 for a subscription price of R41,25 million (the "Preference Share Subscription").

The preference shares pay a dividend at a dividend rate equivalent to the Prime Rate plus 2% per annum and are redeemable in 9 years. The preference shares are secured by a guarantee by Pele Green Energy Proprietary Limited ("PGE") in favour of Hulisani guaranteeing the performance of Pele198's obligations under the Preference Share Subscription, a pledge and cession by PGE of its shares in Pele198 in favour of Hulisani and a cession and pledge by Pele198 of its bank accounts and shares and shareholder loans in Pele13 in favour of Hulisani (the "Security Documents").

2. RATIONALE FOR THE ACQUISITION

Hulisani was established to pursue the acquisition of, and investment in, companies focused on, and operating in, the energy sector and which evidence good potential for growth.

Since the conclusion by Hulisani of its 6.67% effective shareholding in the Kouga Wind Farm, the Company has also acquired a 66% shareholding in the Rustmol Solar Farm.

The Acquisition provides Hulisani with vertical integration into the wind farm supply chain, both by providing local content to South African operators, but through the relationship with GRI, access to the ever-growing international demand for components to the wind generating industry. In addition, the preference share funding is significant as it enables further black participation in the manufacturing value chain.

A significant portion of GRI's order book is for overseas clients, which through the relationship with GRI is anticipated to grow.

3. INFORMATION ON GRI RENEWABLE INDUSTRIES S.L "GRI"

GRI is a Spanish company incorporated in 2008 as a subsidiary of Corporacion Acek, and has a global presence focusing on the manufacturing of wind towers. GRI has 13 factories in Spain, Brazil, India, China, United States, Turkey and South Africa, employing over 3 700 people with a manufacturing capacity of approximately 2 000 towers and 100 000 tons of flanges per annum. GRI concentrates its efforts in integrating all the main industrial processes to enhance its know-how and reduce supplier risks.

4. INFORMATION ON GRI WIND STEEL SOUTH AFRICA "GRI WSSA"

GRI WSSA opened its wind tower manufacturing plant in Atlantis, Cape Town, in 2014 with the view to enhance clean and renewable energy in the country.

The goal of GRI WSSA is to provide the local and international market with wind towers (it will supply more than 150 towers per year) thus contributing to the strong

development of renewable energy in South Africa. The facility has also created more than 300 jobs of which approximately 250 employees will be from Atlantis and the surrounding area.

Shareholders are advised that the value of the net assets of GRI WSSA for the year ended 31 December 2016 is R115 million and that it sustained a loss of R13,5 million due to the ramp up process and transfer of skills. That notwithstanding, for the first three months of the 2017 fiscal year, GRI WSSA's management accounts reflect a profit after tax of R7.75 million.

Since 2008, GRI has consolidated its position as the leading industrial supplier in the renewable energy markets and GRI WSSA has a promising pipeline of orders for the next 5 years.

5. CONDITIONS PRECEDENT TO THE HULISANI SUBSCRIPTION AND THE PREFERENCE SHARE SUBSCRIPTION

The Preference Share Subscription is conditional upon, amongst others, Pele198 fulfilling the conditions precedent under the Security Documents. The Hulisani Subscription is conditional upon, amongst others, the Preference Share Subscription becoming unconditional.

The effective date will be the earlier of the satisfaction of the conditions precedent under the Preference Share Subscription and the Hulisani Subscription or 31 July 2017.

6. CATEGORISATION

In aggregate, Hulisani Subscription and the Preference Share Subscription qualify as a Category 2 acquisition in terms of the JSE Listings Requirements.

Johannesburg

20 July 2017

Sponsor: PSG Capital Proprietary Limited