



CHAIRMAN'S ADDRESS TO SHAREHOLDERS

ANNUAL GENERAL MEETING OF THE MEMBERS HELD AT HULISANI LIMITED, 90 RIVONIA ROAD, 4TH FLOOR, NORTH TOWER, SANDTON ON FRIDAY, 30 AUGUST 2019 AT 12H00

CHAIRMAN:

“Ladies and Gentlemen, it gives me great pleasure to welcome you to the third annual general meeting of shareholders of Hulisani Limited. Welcome also to fellow directors, staff and all our shareholders to this important occasion which is a constructive way for me and my fellow directors to meet with our shareholders, to ensure that we take the widest range of stakeholder views into consideration.

Let me start by saying that it is a privilege to be part of the leadership team at our young company Hulisani, at this most interesting time not only in the company's growth but also in the unfolding environment in the development of clean energy generation capacity in South Africa and globally. We have set our company to be a meaningful participant in all aspects of energy generation and expect to reward our shareholders through our ongoing investments in this rapidly developing frontier.

Energy is fundamental to our daily lives and prosperity, and energy sources powering our societies are continually evolving and undergoing rapid change. Renewables are emerging as technologically feasible, economically attractive and sustainable, while increasingly able to meet the energy needs of many countries.

The shift from fossil fuels to renewable energy is driven by new technologies and efficiencies.

The transformation is also increasingly encouraged by the policies and actions of governments, businesses, cities,

investor pressure and communities - as the world moves towards lessening the effects of climate change and dangerous air pollution.

It is beyond doubt that renewables are now a key player in the global energy landscape, with technical advances and falling costs enabling energy from renewables to grow faster than any other energy source. It is a fact that many renewable technologies are now cost-competitive with fossil fuels on a like-basis in the power sector, even before taking into account the added benefits against air pollution and climate change.

The growth possibilities are limitless and we have witnessed first-hand the surge in wind, solar and other renewables that have taken place in the electricity sector. Now, these new technologies are enabling this transformation in other sectors too. For example, electric vehicles and heat pumps are extending the use of renewables in transport, industry and buildings while innovations in energy storage technology are expanding the potential that were not imaginable even a decade ago!

This ongoing change to renewables is not just a shift from one fuel source to another – there is a much deeper transformation that impacts major social, economic and political implications which go affect every aspect of our peoples daily lives. The impact of Hulisani's investments on host communities where our operations are located is well documented and management has been engaging with communities for their benefit.

On a more global scale, renewables will also provide geopolitical independence for developing countries and reduce reliance on fossil fuel imports, as generating renewable energy domestically boosts job creation and economic growth. An example for developing markets can be shown by Iceland which evolved from being one of Europe's poorest countries, highly dependent on imported coal and oil, to a country with a high standard

of living, which derives 100% of its electricity from renewables. This attracted new industries to the country including mineral beneficiation, data storage and greenhouse agriculture. In short this can be done in our country with its abundant wind and solar resource potential.

Fellow shareholders, we are seeing a new energy revolution underway, that will provide light and power to households and entrepreneurs via off-grid renewable energy systems. It is estimated that off-grid solutions such as standalone and mini-grids could supply approximately 60% of the additional generation needed to achieve the UN's agreed Sustainable Development goal of universal energy access by 2030.

Renewables offer developing economies an opportunity to bypass traditional power supply sources and especially the need for a centralized electricity grid. Countries in Africa now have options to avoid expensive, long lead time fixed infrastructure investments in fossil fuels and centralized grids. Mini-grids and decentralized solar and wind energy deployed off-grid are now viable options - analogous to the adoption of mobile phones, where the need to lay expensive copper-wired telephone networks are now redundant.

We believe that clean energy can immeasurably improve human welfare, as they can encourage social welfare, local empowerment and local wealth generation, contribute to a safer climate, improve public health, and advance economic and educational opportunities. According to sources, the adoption of clean energy will ease progress towards all 17 of the Sustainable Development Goals, not just the goals that relate to universal, affordable and clean energy. We are encouraged that the energy transformation, despite difficulties, will go a long way to move the world in the right direction by addressing climate change, combating pollution, and promoting prosperity and sustainable development for now and future generations.

(Media pack which includes the latest fact sheet and investor presentation will be available on the Hulisani website)