



PRESS RELEASE

GDF SUEZ

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GDF SUEZ enters South African power generation market

GDF SUEZ announces its first power generation projects in the Republic of South Africa (RSA) after signing Power Purchase Agreements (PPAs) for two power plants with a combined capacity of 1,005 MW.

On 3 June 2013, GDF SUEZ together with its partners Legend Power Solutions (RSA), Mitsui & Co (Japan), and The Peaker Trust (RSA), signed the PPAs for two greenfield open-cycle turbine power plants of 335 MW (Dedisa) and 670 MW (Avon), which are located in the Eastern Cape Province and in the KwaZulu-Natal Province respectively. The total investment cost for the two plants is around EUR 780 million. Full financial close of the two plants is anticipated shortly. Commercial operation is expected to start at Dedisa in 2015 and at Avon in 2016.

G rard Mestrallet, Chairman and CEO of GDF SUEZ, commented: *“These two plants represent a major step forward for the Group’s activities in Africa and demonstrate our ambitions in fast growing markets. This is the starting point of a strong partnership with South Africa, to help support the Republic’s economic and industrial growth ambitions. The open-cycle plants are the first independent power projects originated by the Department of Energy in South Africa and they will add much needed extra capacity to the Republic’s grid.”*

The plants will be contracted to supply electricity to Eskom Holdings, the Republic’s state-owned utility, under 15-year PPAs, awarded by the Department of Energy (DoE), on a Build, Own, Operate (BOO) basis. In parallel, two Implementation Agreements (IAs) with South Africa’s National Department of Energy were signed for each power plant.

This investment has attracted financing from a number of local banks, with project cash flows supported by the long-term PPAs with Eskom Holdings, which is investment grade rated. GDF SUEZ is an experienced international operator of a wide range of power generation technologies and, working closely with its partners, is well placed to deliver new capacity to the South African market.

In addition, GDF SUEZ is actively developing further projects in South Africa, including wind and a captive coal plant in the Northern Province, with a capacity of 600 MW, expandable to 1,800 MW. In May 2013, the Group signed the Power Purchase Agreement for West Coast One, a 94 MW wind project in the West Cape Province.



South Africa: rapidly growing energy demand

South Africa is the largest power market in Africa with over 45 GW of installed generation, and is an attractive market for GDF SUEZ with acute energy needs and solid renewable energy opportunities. The Government is supportive of new capacity with a number of initiatives, including a 20-year plan targeting 42% (17 GW) of new generation from renewable energy. A successful 'Renewable Energy Independent Power Producers Programme' is in place, with a number of projects already closed.

Notes

The Project Companies that own the open-cycle plants – Dedisa Peaking Power (Eastern Cape) and Avon Peaking Power (KwaZulu-Natal) – are each owned 38% by GDF SUEZ, 27% by Legend Power Solutions (Pty) Ltd, 25% by Mitsui & Co and 10% by The Peaker Trust. This independent Trust has been established by GDF SUEZ to ensure that local broad-based black organizations and communities can benefit from the projects.

GDF SUEZ will establish the Operations & Maintenance (O&M) company that will operate and maintain the two power plants. The turnkey EPC (Engineering, Procurement and Construction) contractors will be Ansaldo Energia S.p.A. and Fata S.p.A (Italy).

About GDF SUEZ

GDF SUEZ develops its businesses (electricity, natural gas, services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources. The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services. GDF SUEZ employs 219,300 people worldwide and achieved revenues of €97 billion in 2012. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone, Vigeo World 120, Vigeo Europe 120 and Vigeo France 20.

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