

Stakeholder Update

February 2018

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DEVELOPER-OWNER-OPERATOR OF SUSTAINABLE POWER PROJECTS ACROSS AFRICA

Bumbuna II – Project Documents Ratified by Parliament of Sierra Leone

On 29 November 2017, the Parliament of Sierra Leone voted unanimously to ratify Bumbuna II's key project agreements – a clear sign of the strong cross-party support for this project. This marked another important milestone in the project's development. Under the conditions of the agreement, Joule Africa's local project company Seli Hydropower will build an extension to Bumbuna I and construct a new regulation dam 30km upstream, adding a further 143 MW of power capacity and providing a minimum 80MW of guaranteed all-year round power. Construction on the extension is anticipated to start in early 2019 with operations forecast to start within four years of the start date. Seli Hydropower will be responsible for building, owning and operating Bumbuna II, while the ownership of the Bumbuna I assets shall continue to remain with the Government of Sierra Leone.

Bumbuna II – Positive progress on Environmental and Social Planning

Following submission of Bumbuna II's Environmental, Social and Health Impact Assessment (ESHIA) to Sierra Leone's Environment Protection Agency (SL-EPA) in February 2017 and a subsequent independent review, the Joule Africa / Seli Hydropower team presented the Resettlement Action Plan (RAP), the Community Development Action Plan (CDAP) and the Biodiversity Strategy to the SL-EPA in November 2017. While more details on the Biodiversity Action Plan (BAP) will only be available in mid-2018, SL-EPA gave the go-ahead for the ESHIA Public Disclosure.

Joule Africa is working closely with The Biodiversity Consultancy (TBC) to finalise the BAP. Targeted dry season field surveys started in February 2018 for fresh water fish and primate studies. The river weed species *Ledermanniella yiben* is about to be reclassified by Kew Garden as *Sphaerothylox yiben*. Species within the *Sphaerothylox* genus, are not point endemics and the species is therefore likely to be more widespread than currently known. In addition, efforts to translocate the river weed are yielding positive results.

A World Bank team, led by George Ledec, Lead Ecologist, Africa Region, conducted a week-long environmental assessment of the Bumbuna II project in mid-February 2018.

The Seli Hydropower team is focusing its efforts on the implementation of Phase 1 of the Resettlement Action Plan which involves working closely with the 56 affected households who will be relocating ahead of the start of the construction phase.

Bumbuna II - Public Disclosure



Following a nationwide advertising campaign across newspapers and radio, Seli Hydropower, along with the Ministry of Energy and SL-EPA, consulted on the Environmental and Social aspects of the Bumbuna II project between 23 - 30 January 2018. Public Consultations took place in 5 locations: Kamathor, Magburaka, Kondembaia and Kabala near the project and in Freetown.

The team presented to over 1000 people during these sessions and listened to and responded to their comments and concerns. Statements and questions were recorded and added to the ESHIA which was then resubmitted to SL-EPA via the Ministry of Energy.

Overall, there was support for Bumbuna II project. Communities were interested in the relocation plans, the compensation arrangements and the prospect of local job opportunities, but also reiterated that Seli Hydropower would be judged by its actions and not its words.

For more information on any of the news or events mentioned here, please contact Serena Thompson at the London office on +44 (0) 207 499 7985

or

contact@jouleafrica.com

Kpep - Feasibility Study Begins On-Site

The Kpep Hydropower development has been split into three phases, targeting Financial Close by mid-2021. Phase I of the Feasibility Studies is progressing; geotechnical drilling and topographical surveys started in October 2017, with further technical, environmental and social studies due to start in February 2018. Phase I studies are expected to be completed by May 2018. This will then be followed by Power Purchase Agreement term sheet negotiations with the off-taker, ENEO, and the Government of Cameroon.

Phase I funding has been secured through contributions from our Chinese Joint Venture partner (WIETC), internal resources, and direct investor contributions to the Kpep Project. Joule is actively working on securing funding for Phase II.

Joule Africa's Annual Investor Meeting

Joule Africa held its Annual Investor Meeting in December 2017. Both the CEO, Paul Kunert and Chairman, Andrew Cavaghan offered investors in attendance a detailed update on the Bumbuna and Kpep projects, as well as an update on the longer-term strategy for the Group. 2017 saw US\$10 million raised from our private investor base, whilst in 2018, Joule Africa is looking to raise a further \$25 million. It is anticipated that US\$20 million will be secured through institutional investors and the remaining \$5 million will be raised through our existing investor base. Political Risk Insurance is now in place, which is helping to de-risk investment.



New London offices

Joule Africa is pleased to announce that our London office has now relocated to a permanent space in London Bridge. This expansion now affords us the opportunity to continue to grow our commitments for the long term. You can still reach the office on +44 207 499 7985 and the new address is: 5th Floor West, Cottons Centre, 47-49 Tooley Street, London, SE1 2QN

New Appointments

Ekaterina Panshina joined Joule Africa in January 2018 as a management accountant, after completing five years' audit experience. Previously, Ekaterina worked for two years in the Gambia as a consultant with Deloitte & Touche. Ekaterina will further bolster the day-to-day workings of Joule's finance function and her audit experience will also be invaluable in supporting Joule's various statutory audit processes in Africa and the UK.

Alex Perkin joined Joule in December 2017 as a Business Analyst, supporting the Bumbuna II and Kpep projects. He has experience in Asia and Africa and begun at the company as an intern in August 2017, having completed his degree in Development Studies & Geography BA (Hons) from the School of Oriental and African Studies (SOAS), University of London.

Serena Thompson has taken on a new role within the company, now working as the Communications Co-ordinator, supporting Compliance, Communications and Investor Relations. Her new role will allow us to communicate more regularly with our Investors and Stakeholders and is now your first point of contact for any assistance required.

Upcoming Events

As part of Joule Africa's ambition to continue to raise our industry and investment community profile, the company is sponsoring the Powering Africa Summit in Washington D.C. from the 27th February – 3rd March 2018, where Paul Kunert will be a keynote speaker on the headline panel session. The team are also available throughout the event. If you would like to set up a meeting with us in Washington. please do not hesitate to get in contact with Serena Thompson.

Paul Kunert will also be a guest panellist at the 5th Commonwealth Africa Summit 2018 in London on 12th – 14th March 2018.

