EIA APPROVED FOR SESE 300MW INTEGRATED POWER PROJECT

HIGHLIGHTS

• Botswana’s Department of Environmental Affairs (DEA) has approved the Environmental Impact Assessment (EIA) for the 300MW Sese integrated coal mine and power project.

• The approved EIA encompasses a project comprising a 1.6Mtpa coal mine, coal handling and processing plant, 300MW power station, water pipeline, access road, transmission grid connection, construction camp, and an ash disposal facility.

• The power project will be expected to meet emissions standards derived from air quality modelling specifically undertaken for the Sese project based on International Finance Corporation (IFC) guidelines for thermal power stations and Botswana laws and regulations including Environmental Management Standard BOS ISO14001:2004.

• With the approval of the EIA, the recent award of surface rights, and the previously approved water allocation, the Company has made significant advances in permitting the first 300MW Sese integrated power project.

SUMMARY

African Energy Resources Ltd (African Energy or the Company) is developing a series of 300MW integrated power projects and captive coal mines at its Sese Project in Botswana which have the potential to supply power to Botswana, Zambia and South Africa.

An Environmental Impact Assessment for the first 300MW integrated power project at Sese was approved by the DEA in Botswana on 1st September, and is valid for project initiation within 5 years.
The approved EIA covers the following key aspects of the integrated power project at Sese:

**Coal mining:**
- 1.6Mtpa ROM coal mining rate
- Coal processing and handling plant
- Steady state rehabilitation of mine waste and overburden

**Power station:**
- 300MW coal fired power station to be designed and constructed to allow for the installation of carbon capture technology if this becomes economically viable
- Continuous management of power station ash into an on-site ash storage facility or back into the mine void
- SO\(_x\), NO\(_x\), CO\(_2\) and particulate emissions standards based on project specific modelling completed to IFC guidelines and Botswana laws and regulations including Environmental Management Standard BOS ISO14001:2004

**Common infrastructure:**
- Water pipeline from Shase Dam, to be laid along the railway easement
- Access road from the main A1 highway
- Transmission grid connection
- Camp for up to 3950 people for the construction period for the mine, power station and shared infrastructure
- Manpower levels of up to ~440 people during steady state operations
- Hazardous and solid waste to be managed to approved sites

The proposed Environmental Management Plan, impact management, monitoring and internal audit procedures must be implemented and may be audited by the DEA during the implementation and operational phase.

The EIA includes an Archaeological Impact Assessment approval issued by the Botswana National Museum which covers the entire area of the surface rights lease.

For any further information, please contact the Company directly on +618 6465 5500

For and on behalf of the Board