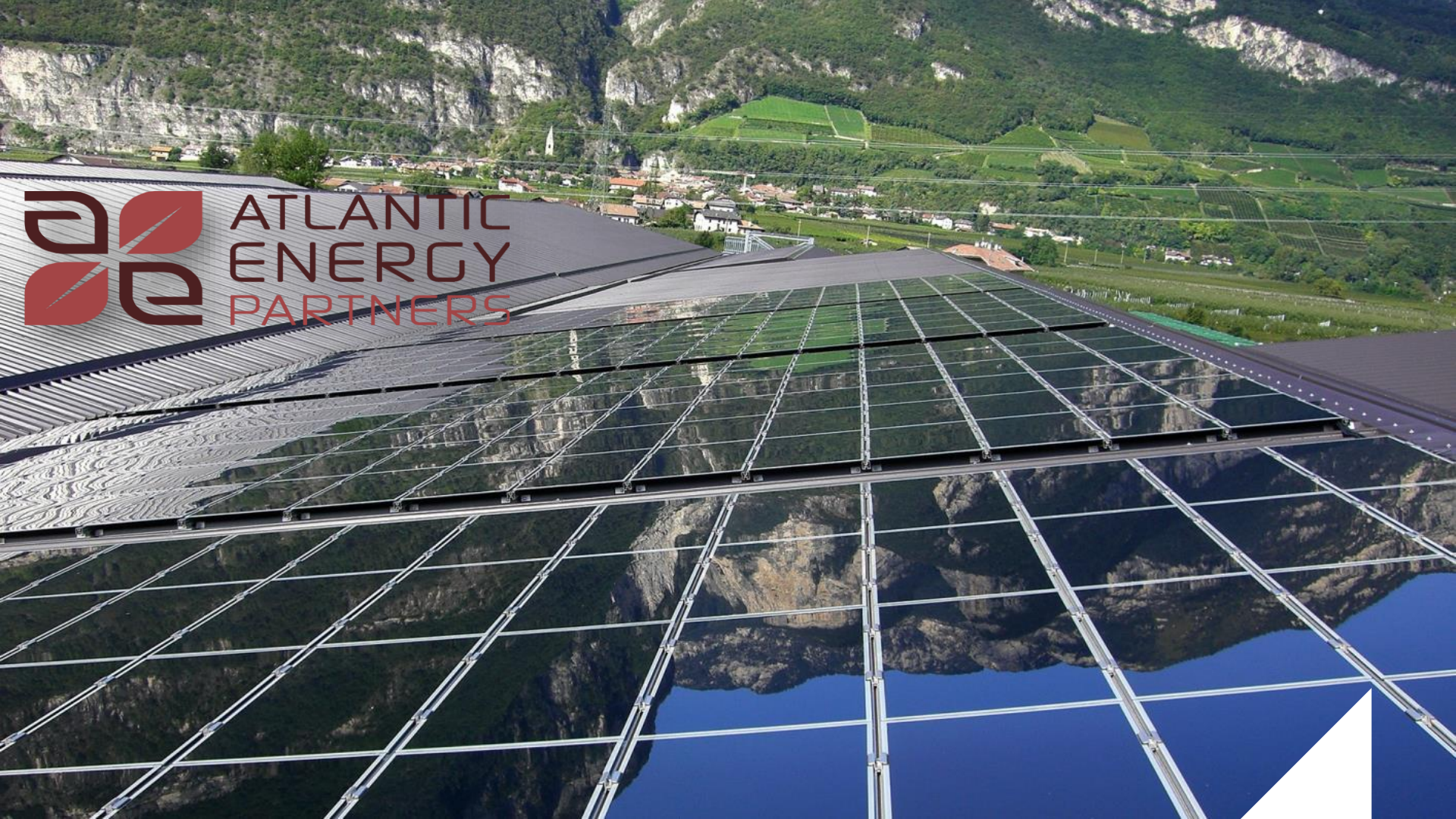




ATLANTIC
ENERGY
PARTNERS

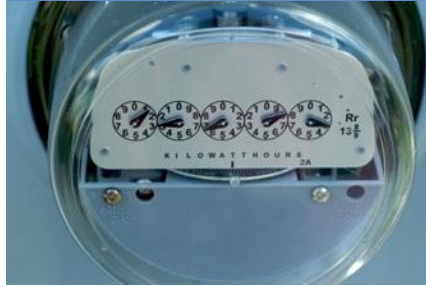


South Africa Solar PV Sector – Market Drivers

CO₂ REDUCTIONS
& TAXES



ENERGY
SECURITY



FOSSIL FUEL
SAVINGS



ENERGY
VOLATILITY



TIME TO POWER



OFF GRID ENERGY
ACCESS



HYBRID
SOLUTIONS



TIME-OF-DAY
MATCHING



Michelin Factory – Maladdodin - Spain: 2.2MW

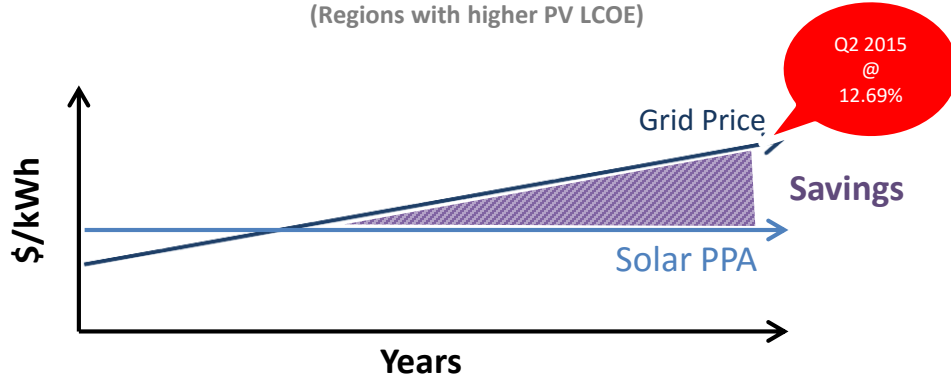


Hassleben - Germany: 4.6 MW

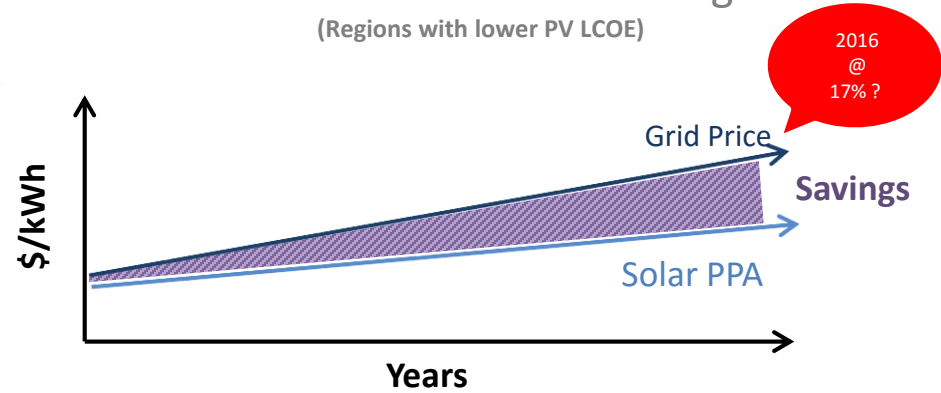


Hedging Against Higher Energy Prices

Scenario 1 – PPA with Fixed Price
(Regions with higher PV LCOE)



Scenario 2 – PPA with Escalating Price
(Regions with lower PV LCOE)

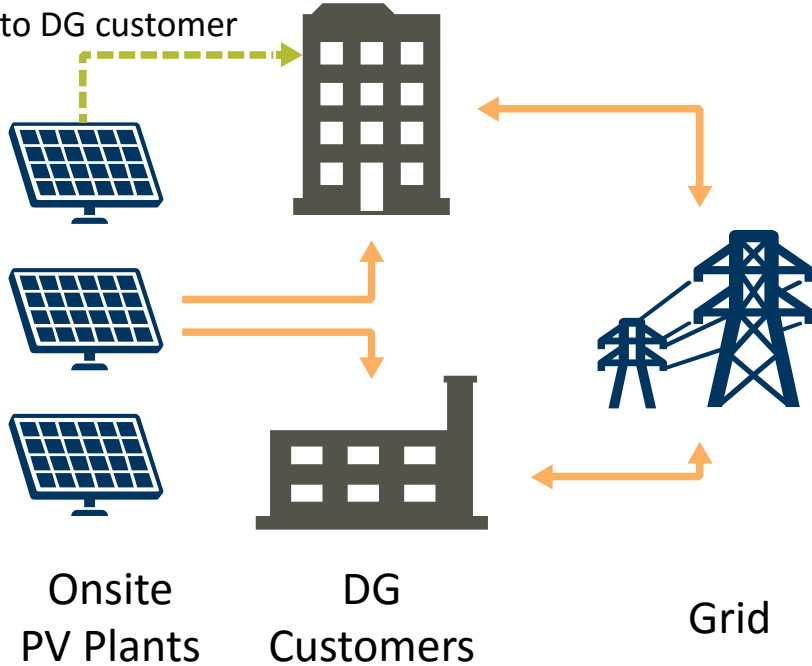


Benefit from more price certainty over the life of the PV Plant

Distributed Generation Solutions

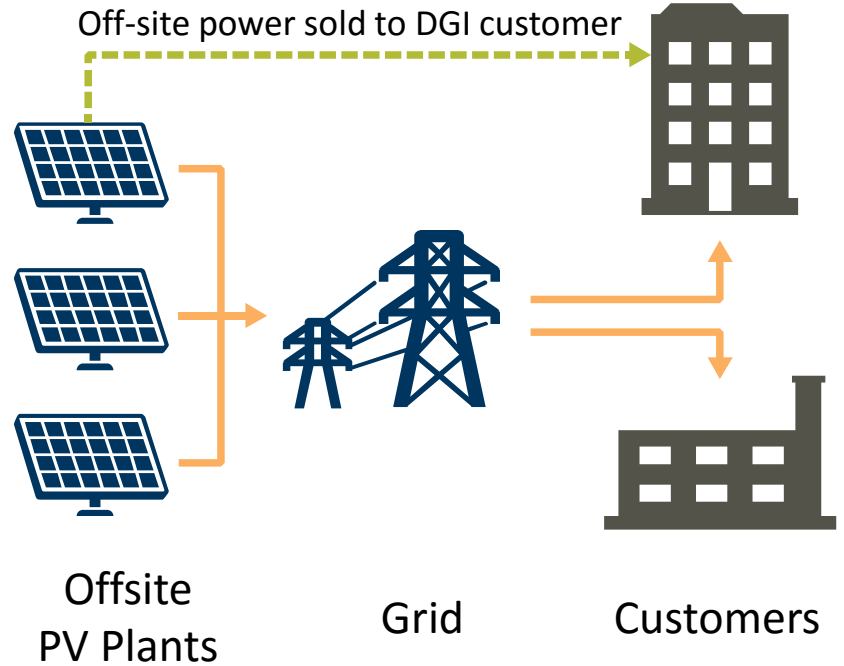
Customer Side of the Meter

On-site power sold to DG customer



Utility Side of the Meter

Off-site power sold to DGI customer



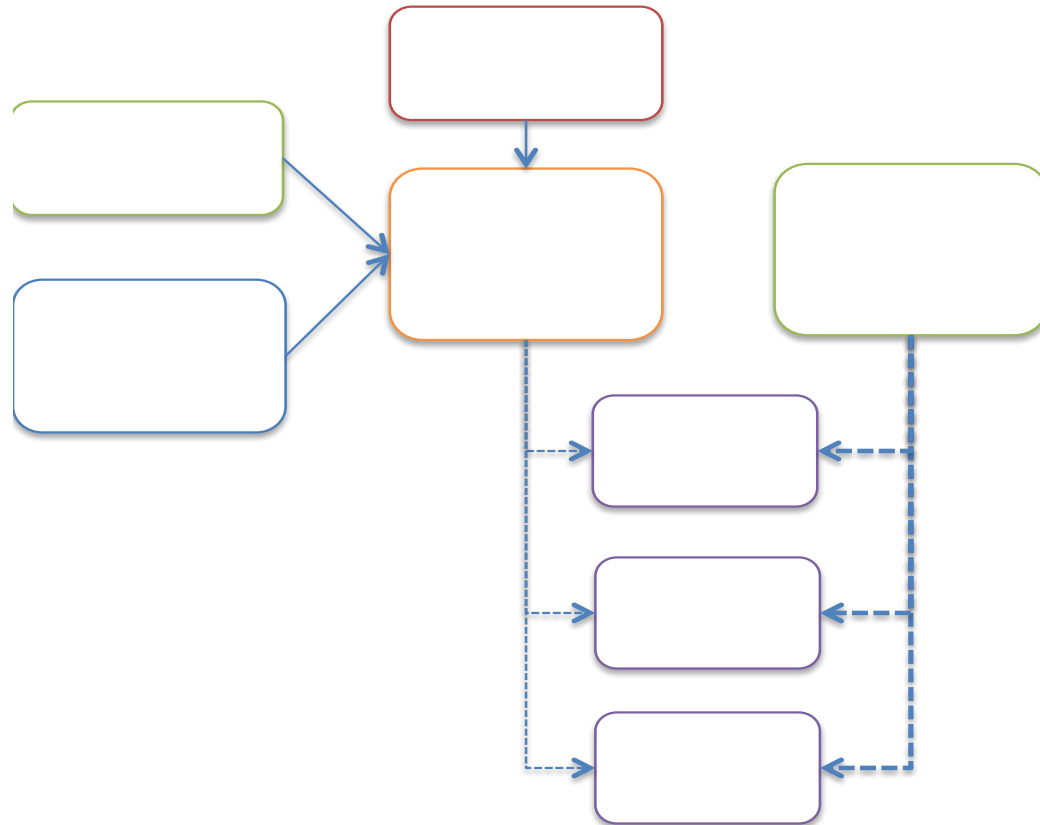
South Africa Solar PV Sector – Executive Summary

- The REIPPP large scale utility program in South Africa has **reached growth maturity** with Window # 4.5 bids submitted and awaiting approval
- The market is now experiencing a **shift towards the development of commercial and industrial (C&I) solar** rooftop projects as major new investment sector
- Recent ‘tipping point’ created by means of the **development of a 1.5 MW Solar PV Rooftop** installation at Clearwater Mall (Hyprop) in Gauteng
- NERSA has approved a **12.69% electricity tariff increase for Eskom in 2015** whilst Eskom has asked for a 17% increase for 2016. This will create a major industry tipping point to control ones own embedded generation destiny
- Department Treasury seeking to introduce a **Carbon Tax** in 2016/2017
- Atlantic Energy Rooftop Partners seeks to **create a huge market presence** with the aim to be one of the top 4 solar rooftop developers and owners
- A unique opportunity to develop a **dedicated and market specific ‘Solar REIT Investment Vehicle’ (SRIV)** will provide AEP and will provide the Property REIT with a market advantage unlike any other current REIT

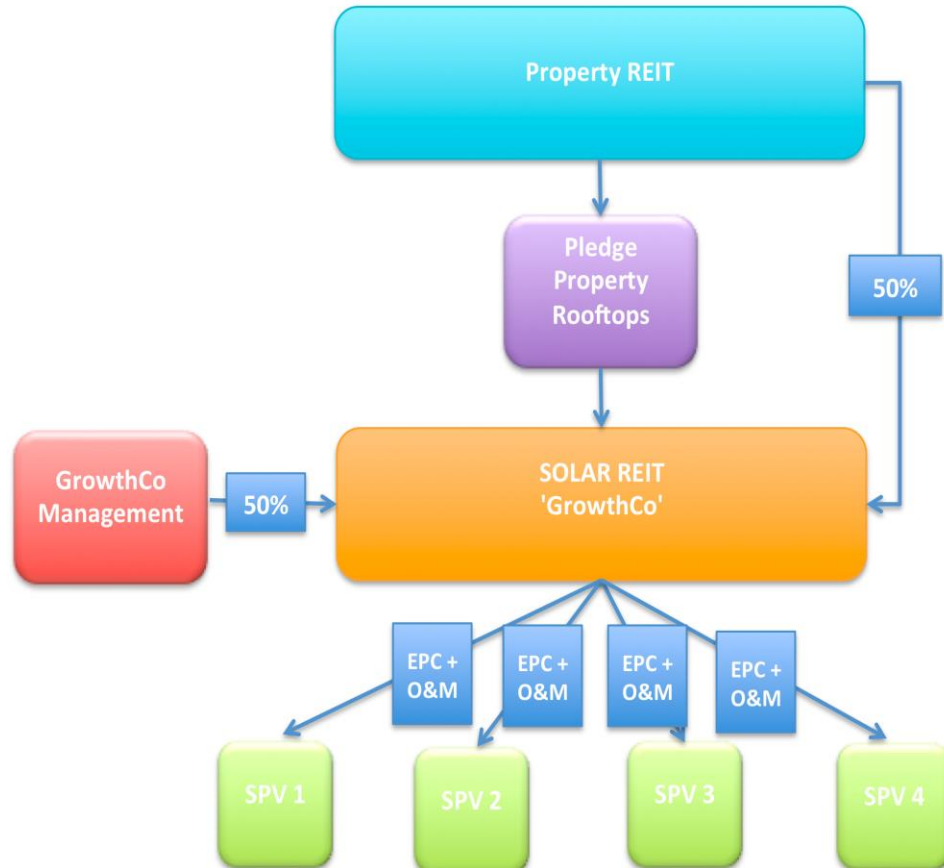
Why develop a Solar REIT / GrowthCo?

- Traditional REIT model does not allow for 'creative' product structuring
- Need to avoid confusing shareholders as to what asset class they have invested in
- Does not prescribe to Property REIT mandate
- Ability to enter the Independent Power Producer (IPP) sector (vs. existing Eskom monopoly)
- Embrace the technology advances and opportunities that Solar offers
- Section 12B – Deduction in respect of certain plant and equipment used in the production of renewable energy (i.e. 100% accelerated depreciation within year 1 based on the cost of the asset)
- Section 12L – Deduction in respect of Energy Efficiency Savings
- Mechanism to curb the proposed Carbon Taxes in 2016/2017
- Ability to aggregate other medium sized property groups into GrowthCo
- Potential new Solar REIT listing on JSE
- Alternative income generating mechanism
- Platform to develop SA and potentially Africa there after

Solar REIT - Organogram



Solar REIT - Implementation



AEP COMPANY OVERVIEW

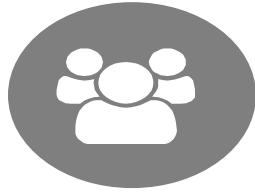


Team expertise

Our team brings **diverse experience** and a history of success to the company; with expertise in engineering, energy development, procurement and project management.

The AEP team **offers years of relevant work experience** in both the renewables & the financial services industry and unparalleled expertise in: project feasibility assessments; due diligence; legal framework implementations; EPCM corporate structuring and tax optimisation; capital raising and structuring for optimal returns on equity investment.

We value our network of capital investors, technology providers and EPC partners that we have worked with over the years



Track record

Our team has a cumulative track record of successfully developing projects from initiation to financial closure of four separate projects totalling **225MW** of large scalesolar PV and **138MW** of onshore wind in the first 3 rounds of the REIPP Procurement Programme in South Africa, and another three solar PV projects totalling **225MW (3 x 75MW)** have been selected as preferred bidder from bid window 4 and the additional allocation to bid window 4.

In addition, our team has an solar C&I industry leading expert that has developed in excess of **10 MW** of solar PV rooftop projects.



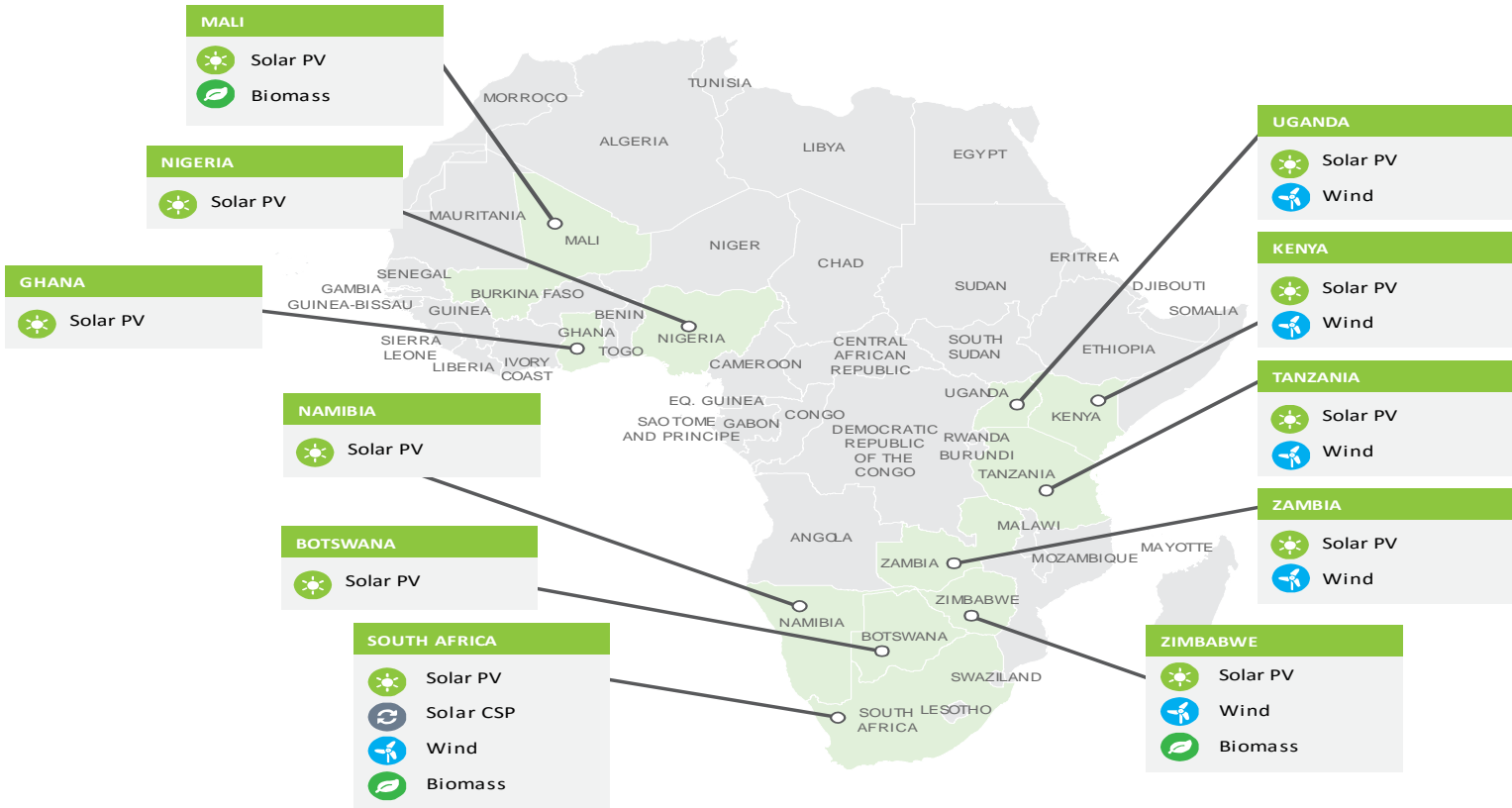
Kevin Anderson – Rooftop CEO

Kevin has extensive structured lending transaction experience following 5 years with **RMB Private Bank**. In 2009 he was a co-founder of one of **SA's leading solar Independent Power Producers with 225 MW** of projects won. He has subsequently developed in excess of **800 MW** of projects in both Africa and India.

Kevin **headed up First Solar's (the world's largest Solar company listed on the NASDAQ) commercial & industrial team in South Africa** where they had huge success in tendering and winning some of SA's largest C&I rooftop projects to date.

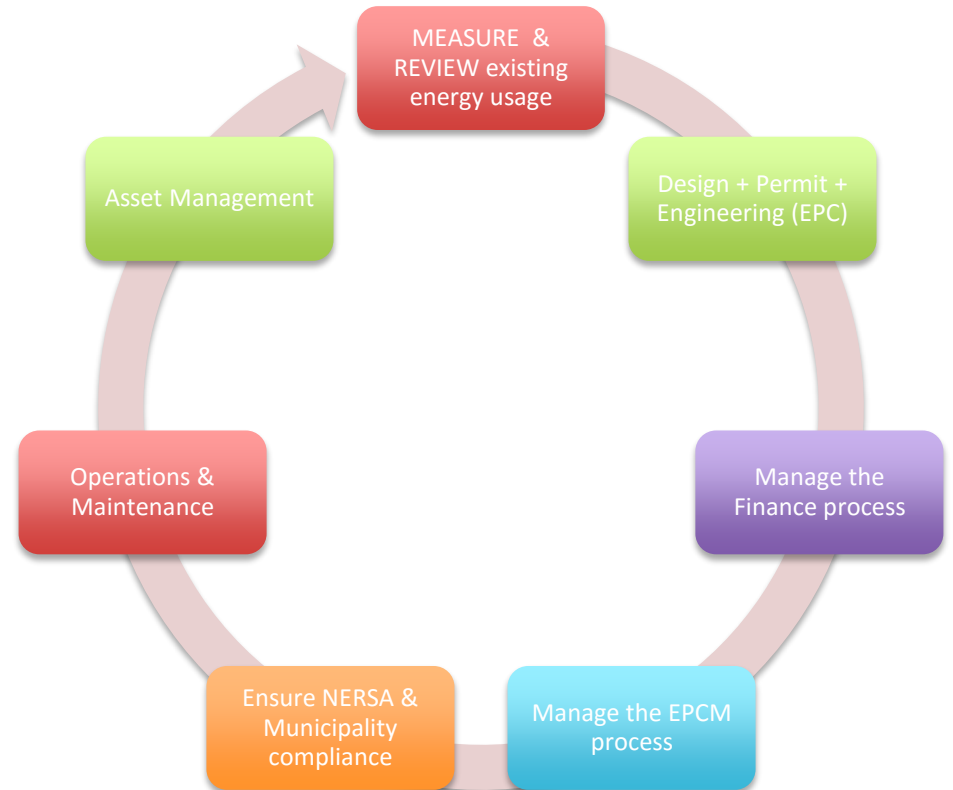
He has extensive knowledge of solar rooftop sector, both from a technology, EPC and finance point of view and oversees the AEP solar rooftop business.

AFRICAN GENERAL DEVELOPMENT PIPELINE



What can Atlantic Energy Partners offer?

- AEP to provide all EPCM (Engineering, Procurement and Construction Management Service)
- Start by reviewing all property assets in the portfolio
- Measure & review the existing energy usage
- Analyze what solar energy impact will be
- Design suitable rooftop solar installation & technology
- Apply different finance models (i.e. local banks vs. DFI's)
- Check if economics and IRR targets are achieved
- Once the Board has approved, proceed with EPCM process
- Ensure that all regulatory requirements are in place
- Pre-commissioning testing and reviews
- Once commissioned, ensure that all operations & maintenance plans in place
- Perform general asset management services
- Ad hoc review of finance structures



Finance Overview – Assuming 1 MW (Pilot) & 10 MW Total

Discounted Cash Flow Model & Real IRR Forecasts	
Project Size (AC)	1000 kWp
Performance Ratio	85%
EPC Cost	R 13 000 000,00
EPCM Cost	R 1 950 000,00
Total Cost	R 14 950 000,00
O&M Cost	R 195 000,00
O&M Escalation	6%
Energy Yield	1715,63 kWh/kWp/year
Annual Yieldq	1,902,290 kWh/year
Nominal Electricity Tarriff	0,7902 R/kWh
Electricity Escalation	12.7%
NPV 5% 25 Years	R 38 679 753,56
NPV 7.5% 25 Years	R 23 844 214,08
NPV 10% 25 Years	R 14 254 518,87
Real IRR 25 Years	18%
Equity IRR (with Tax Benefits)	23%

Assuming 10 MW of Projects	
	10 000 kWp
R	130 000 000,00
R	19 500 000,00
R	149 500 000,00
R	1 950 000,00
R	386 797 535,60
R	238 442 140,80
R	142 545 188,70
	18%
	23%

Summary

- AEP is a South African **leader in Solar energy solutions**, with a strong management team
- We offer integrated experience & capabilities along the solar value chain, **maximizing value** and **minimizing risks**
- Commercial rooftop installations with AEP have **higher annual energy yields** and performance ratios due to in-depth market and technology knowledge
- Commercial rooftop installations can be **easily deployed** and are **scalable**
- Solar REIT offers various **tax benefits**
- Solar PV Rooftop conversion **offers a new revenue** income generator
- Provides Property REIT the opportunity to develop portfolio **energy independency** and the **Property REIT leader** in the industry through solar energy self-consumption support and reduction of CO2 emissions
- Solar rooftop and self consumption complies with all **Corporate Social Responsibilities (CSR)** and **Social Responsibility Investments (SRI)** on the JSE

CONTACT DETAILS

ATLANTIC ENERGY PARTNERS

Phone: +27 21 418 2596

Mobile: +27 82 880 3335

Email: info@atlanticep.com

Website: www.atlanticep.com

