* THE ENERGY SECTOR *

Date: February 25, 2013

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PRESENTATION OVERVIEW

1. POWER SUPPLY PLAN

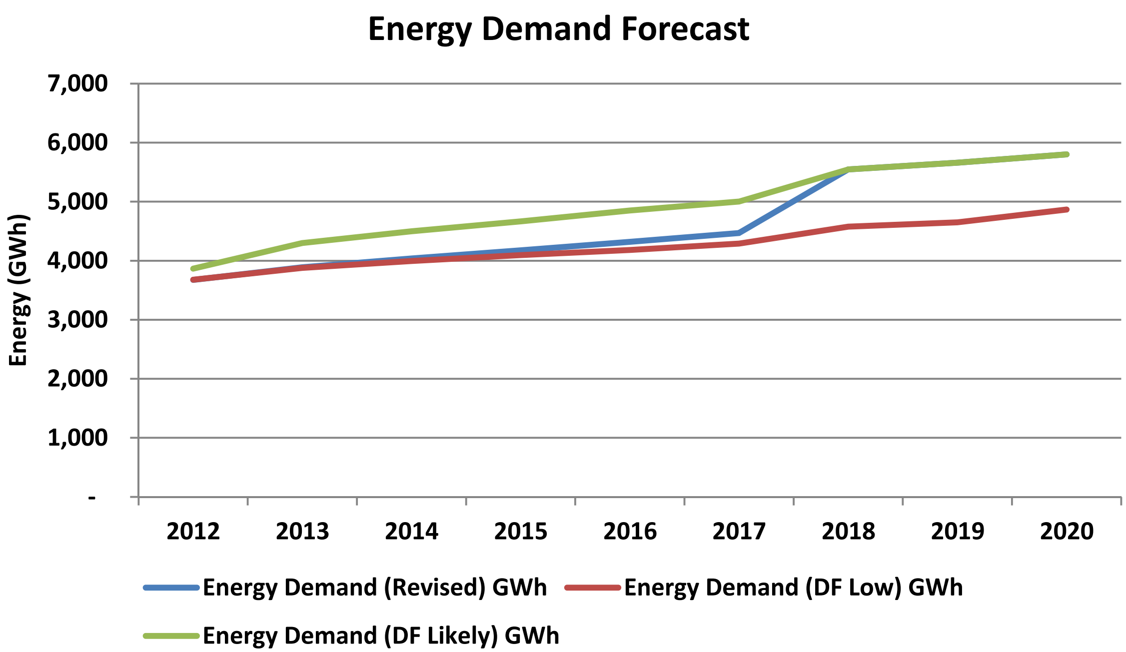
2. TRANSMISSION GRID DEVELOPMENT PLAN

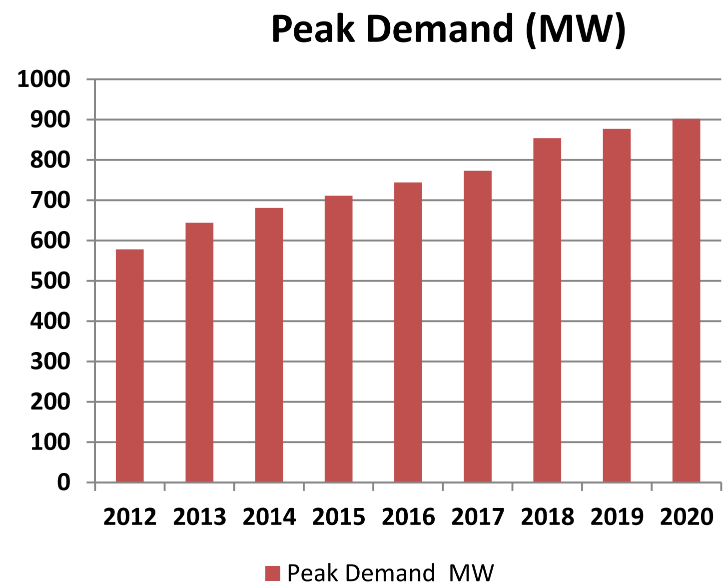
POWER SUPPLY PLAN

POWER SUPPLY PLAN OVERVIEW

1. Electricity Demand Forecast
2. Power Supply Plan (2013 – 2020)
3. Demand – Supply Balance
4. Long Term Generation Projects

Botswana Electricity Demand Forecast





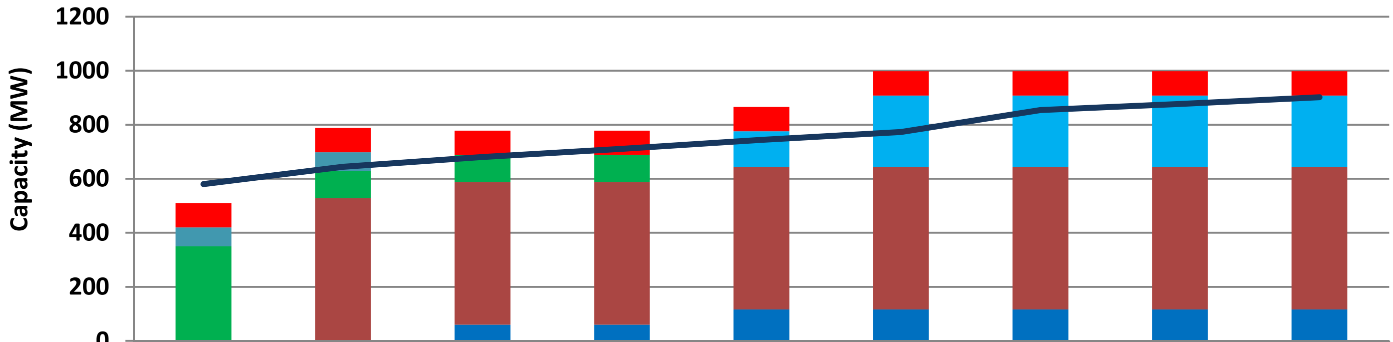
YEAR	UNIT	2012	2013	2014	2015	2016	2017	2018	2019	2020
Peak Demand	MW	578	644	681	711	744	773	854	877	902
Energy Demand (Revised)	GWh	3,676	3,890	4,038	4,177	4,320	4,468	5,547	5,660	5,801
Energy Demand (D/Forecast Low)	GWh	3,679	3,878	3,995	4,096	4,181	4,292	4,579	4,651	4,868
Energy Demand (D/Forecast Likely)	GWh	3,864	4,298	4,499	4,666	4,852	5,003	5,547	5,660	5,801

Power Supply Plan (2013 – 2020)

Sources	2013 MW	2014 MW	2015 MW	2016 MW	2017 MW	2018 MW	2019 MW	2020 MW
Morupule B 	264	528	528	528	528	528	528	528
Morupule B 5&6 	0	0	0	132	264	264	264	264
Morupule A 	0	60	60	116	116	116	116	116
APR Rental 	70	0	0	0	0	0	0	0
ORAPA 90MW 	90	90	90	90	90	90	90	90
SAPP Imports 	100 + 200	100	100	0	0	0	0	0

Capacity Balance (Best Case Scenario)

2012 - 2020 Capacity Balance



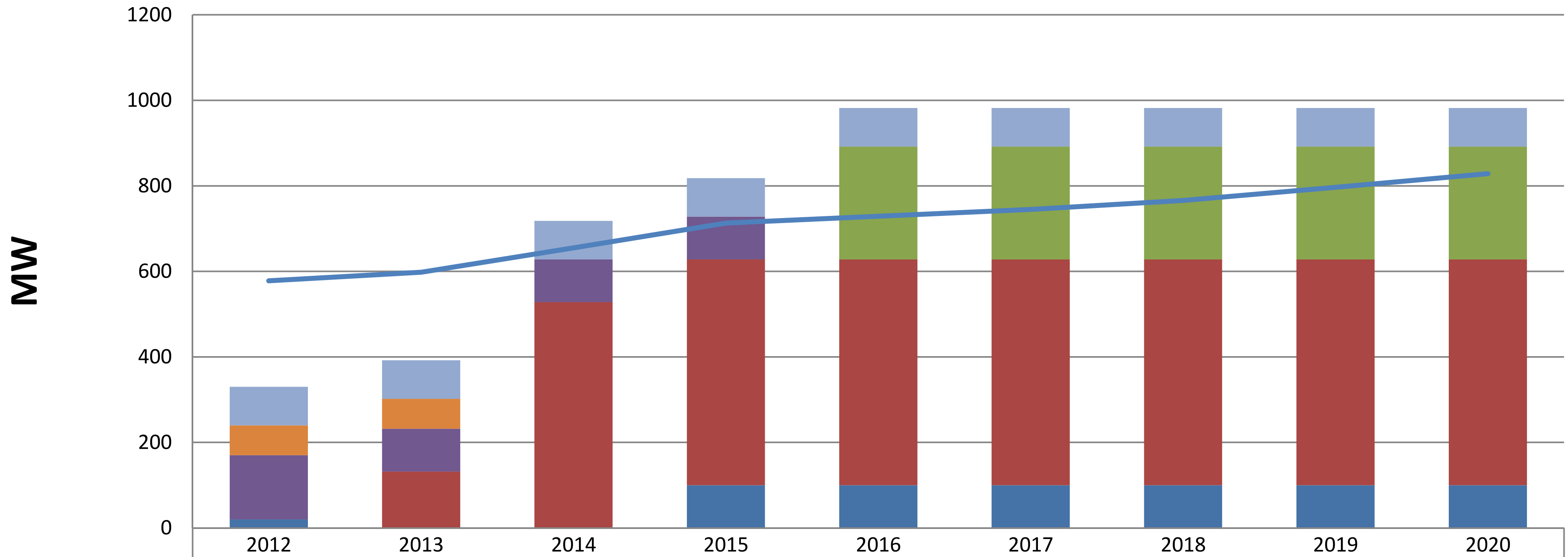
	2012	2013	2014	2015	2016	2017	2018	2019	2020
Orapa 90MW	90	90	90	90	90	90	90	90	90
Emergency (70MW)	70	70	0	0	0	0	0	0	0
Eskom (Imports)	350	100	100	100	0	0	0	0	0
Moruple B (5&6)	0	0	0	0	132	264	264	264	264
Morupule B	0	528	528	528	528	528	528	528	528
Morupule A	0	0	60	60	116	116	116	116	116
Peak Demand	580	644	681	711	744	773	854	877	902

Total Supply	510	788	778	778	866	998	998	998	998
Peak Demand	580	644	681	711	744	773	854	877	902
Capacity Balance	-70	144	97	67	122	225	144	121	96

Assumptions

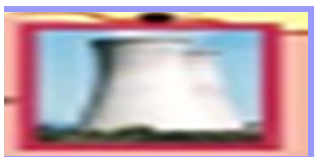
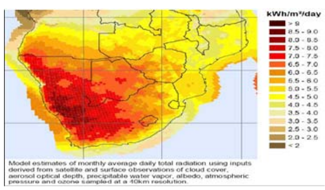
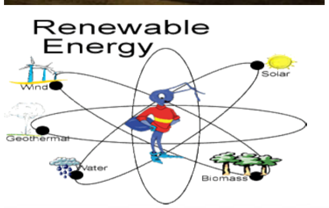
- **Morupule A: On Care & Maintenance. Return to service 2015/16; 60MW secured by Winter of 2014.**
- **Morupule B: In full commercial operation by August 2013;**
- **70MW Rented Diesel: Contract up to December 2013;**
- **Eskom Imports: 100MW (2013 – 2015);**
- **Eskom Imports: 200MW (1st January to 31st July 2013); and**
- **New Generation Capacity: Morupule B Units 5&6 secured 2016/17.**

Supply - Demand Outlook (2012 - 2020)



	2012	2013	2014	2015	2016	2017	2018	2019	2020
Orapa Facility	90	90	90	90	90	90	90	90	90
APR 70	70	70	0	0	0	0	0	0	0
SNEL	0	0	0	0	0	0	0	0	0
Eskom	150	100	100	100	0	0	0	0	0
Morupule B2	0	0	0	0	264	264	264	264	264
Morupule B	0	132	528	528	528	528	528	528	528
Morupule A	20	0	0	100	100	100	100	100	100
Demand	578	598	655	713	729	745	766	797	829

Long Term Generation Projects

Sources	Capacity (MW)	Timing	Remarks
Morupule B 5&6 	300	2017	Bankable Feasibility Study in place Call for Expression of Interest being prepared
IPP Green Field 	300	2019	Green field coal fired project at planning stage Project linked to coal exports, long term coal monetization strategy – Coal Road Map Request for information to be released.
Solar Thermal 	100	TBA	Bankable Feasibility Study Stage. (Report Dec 2012) 100MW CSTP; Central Tower with 4hrs TES at Jwaneng
Coal Bed Methane 	90 +	??	Timing of Commercial Availability of CBM in sufficient quality and quantity to operate a gas fired power station remains unknown.
	75MW	TBA	1.3MW Pilot project commissioned in August 2012 (Phakalane).

TRANSMISSION GRID DEVELOPMENT PLAN

GRID PLAN OVERVIEW

1. Tx Grid Development Constraints

2. Tx Grid Development Plan

2. Tx Grid Capital Outlay (2013 – 2018)

Transmission Grid Constrains

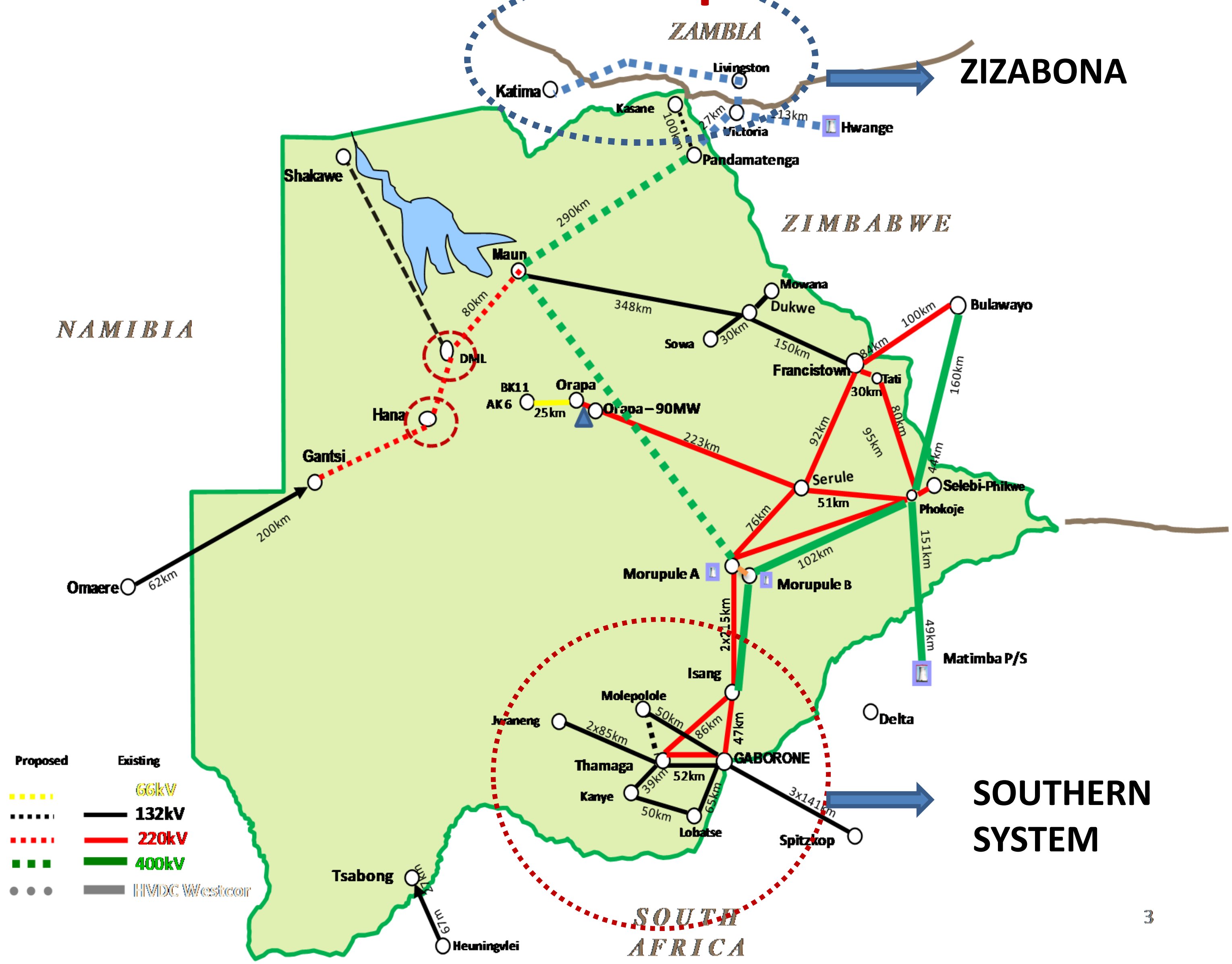
Main Challenges to be addressed

1. Lack of Grid Access in the Northwest Region
2. Demand Growth Outstripping Grid Capacity in the South
3. Inadequate Transmission capacity to support new generation investments (IPPs and Public Sector)

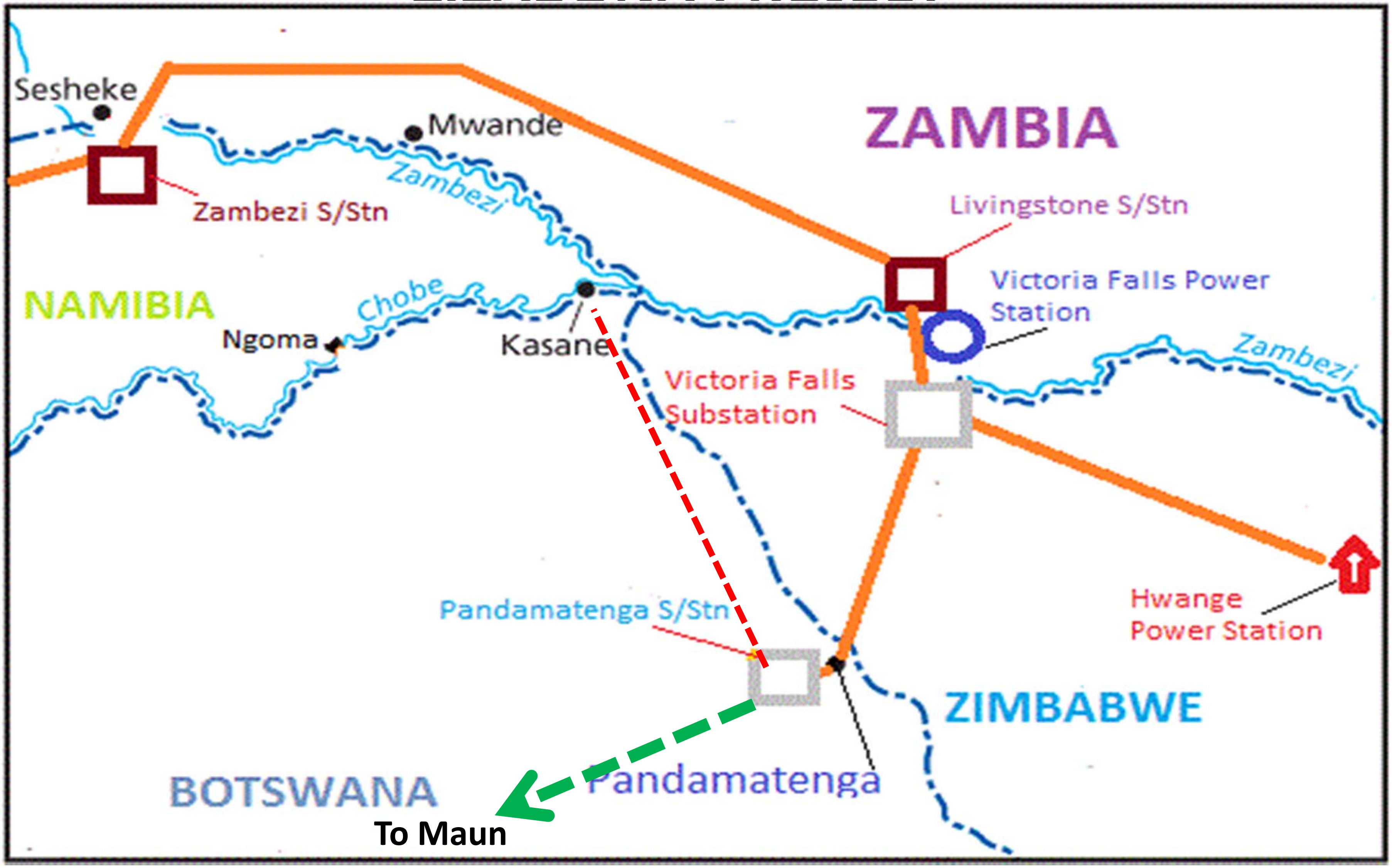
Impact of Challenges

1. Suppression of Economic development (mining)
2. Suppression of Coal Beneficiation
3. Unreliable Power Supply in the South

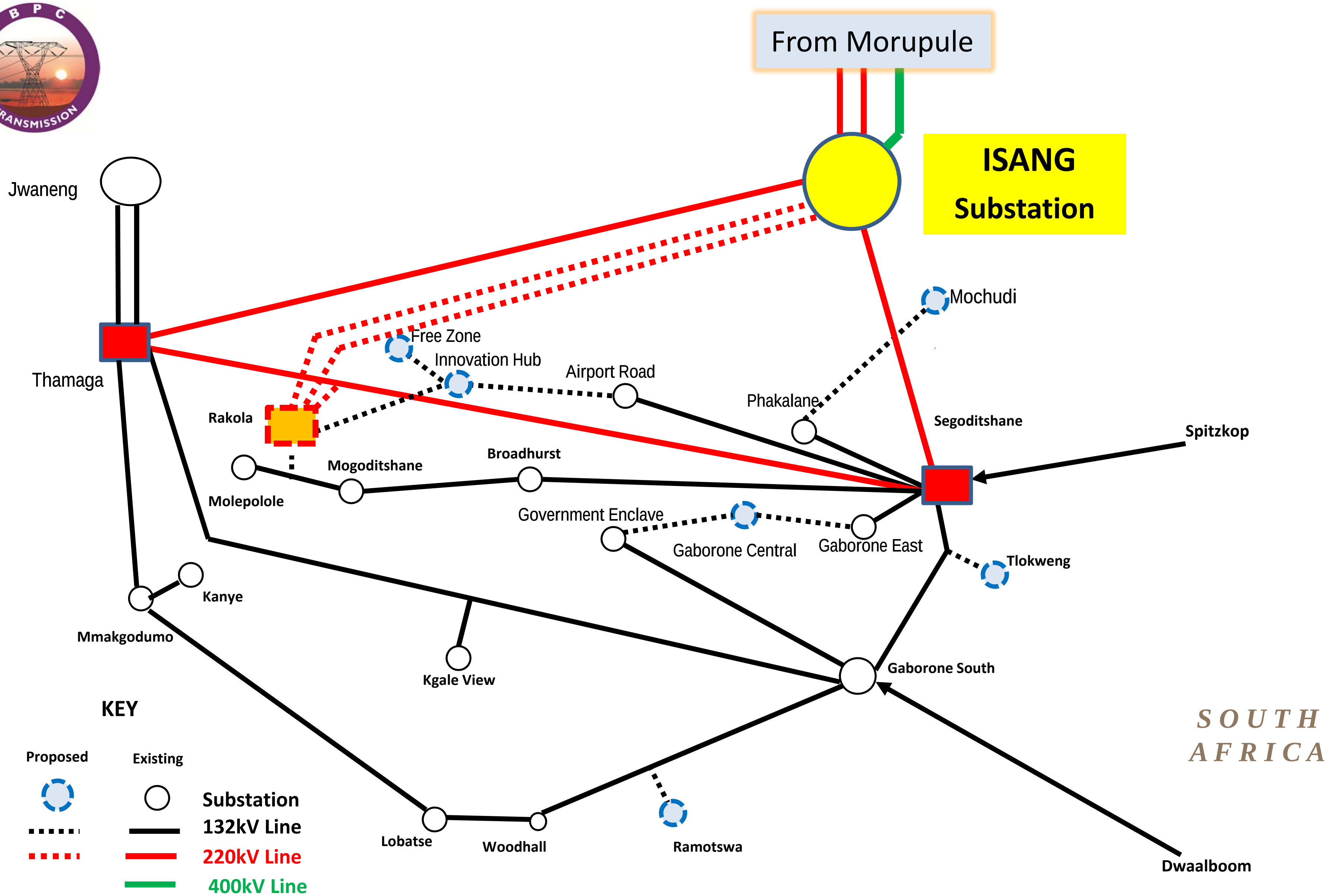
Transmission Grid Expansion Plan



ZIZABONA PROJECT



SOUTHERN SYSTEM REINFORCEMENT & EXPANSION PLAN



Securing Power Supply Objectives (Access and Reliability)

No	Objective	Deliverable
1	Expand Transmission Grid Capacity as per Master Plan	Executed Transmission Projects as listed Below

PROJECT	TIMING	ESTIMATE COST (BWP)	Benefit
North West Grid Extension (400/220/132kV)	2013 - 2017	3.5 billion	New Customers (Mining)
ZIZABONA	2013 - 2016	100 million	Regional Access
Rakola 220/132kV S/S & Lines	2013 - 2015	476 million	Secure Power Supply
Ramotswa 132/11kV S/S	2014 - 2015	70 million	Secure Power Supply
Mochudi 132/33kV S/S	2014 - 2015	100million	Secure Power Supply
Tlokweng 132/11kV S/S	2014 - 2015	48 million	Secure Power Supply
Govt. Enclave 132/11kV S/S	2017 -2018	70 million	Secure Power Supply
TOTAL COST		BWP 4.364 Billion	

THANK YOU

KE A LEBOGA