



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

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Private Bag X 19, Arcadia 0007, Travenna Building 71 Meintjies Street, Sunnyside, 0002 Pretoria Tel: 012 444 4111, Fax: 012 341 51331

Farmsecure Carbon (Pty) Ltd
P.O.Box 1033
Vanderbijlpark
1900
South Africa

South African
Designated National Authority
for the
Clean Development Mechanism
of the
Kyoto Protocol to the United Nations Framework
Convention on Climate Change
Office of the Director General in the
Department of Energy
Contact: lindiwe.chauke@energy.gov.za

Attention: Mrs. Isabelle Barnard

DESIGNATED NATIONAL AUTHORITY (DNA) FOR THE CLEAN DEVELOPMENT MECHANISM (CDM): LETTER OF APPROVAL FOR ANAEROBIC DIGESTION AND RENEWABLE ENERGY IN SOUTH AFRICA.

We refer to the application for the DNA's Letter of Approval for the Anaerobic Digestion and Renewable Energy in South Africa (hereinafter referred to as the "Programme of Activities ") submitted by Farmsecure Carbon (Pty) Ltd.

The Republic of South Africa has ratified the United Nations Framework Convention on Climate Change and is a signatory to the Kyoto Protocol and complies with its obligations under these international instruments.

The DNA is the authorised body in South Africa to issue Letters of Approval for CDM projects. South Africa participates voluntarily in the CDM and in the Project.

Based exclusively on the information contained in the Project Design Document and subject to the conditions set out herein;

We confirm that:

- a. the Project is located in South Africa;
- b. the boundary for the project activity is the physical, geographical site: Where the solid waste (including animal manure, where applicable) would have been disposed and the methane emission occurs in absence of the proposed project activity and treatment of biomass;
- c. the Project supports sustainable development.

Letter of Approval

We authorise:

- a. the participation of the Anaerobic Digestion and Renewable Energy in South Africa, as a CDM Project;
- b. Farmsecure Carbon (Pty) Ltd, as the project proponent and managing/ coordinating entity to participate in the CDM Project;
- c. Farmsecure Carbon (Pty) Ltd, if it is the legal owner of the Project, to sell the title and all rights to the greenhouse gas emission reductions generated by this Project.

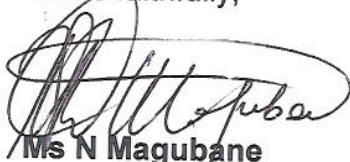
This Letter of Approval is subject to the following conditions:

- a. Farmsecure Carbon (Pty) Ltd warrants to the DNA that it is the legal owner of the Project. The DNA does not take any responsibility for the private contractual arrangements and property rights between or among project participants. The DNA may not be held liable in the event that ownership of the Project is disputed;
- b. the Project must be developed in accordance with the Project Design Document received by the DNA;
- c. the DNA retains the right to withdraw the authorisation granted in terms of the Letter of Approval in the event of non-compliance with the Project Design Document.

We will, to the extent possible, cooperate with Farmsecure Carbon (Pty) Ltd and the CDM Executive Board to facilitate the CDM project cycle. The granting of this Letter of Approval does not guarantee the registration of the Project as a CDM project by the CDM Executive Board.

By its acceptance of this Letter of Approval, Farmsecure Carbon (Pty) Ltd indemnifies the DNA against any loss that Farmsecure Carbon (Pty) Ltd may suffer as a result of project implementation.

Yours faithfully,



Ms N Magubane

Director-General

Date: 08 / 02 / 2012