



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

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**South African
Designated National Authority
For the
Clean Development Mechanism
Of the
Kyoto Protocol to the United Nations
Framework Convention on Climate Change
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Department of Energy
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Attention: Mr. Ludwig Steinmann

DESIGNATED NATIONAL AUTHORITY (DNA) FOR THE CLEAN DEVELOPMENT MECHANISM (CDM): LETTER OF APPROVAL FOR MARKET COKE WASTE HEAT RECOVERY.

We refer to the application for the DNA's Letter of Approval for Market Coke Waste Heat Recovery Project (herein referred to as the Project) submitted by Exxaro Resources Limited (Exxaro) .

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 in Limpopo Province. The project is situated in Lephalale Local Municipality near Lephalale (formerly Ellisras);
- c. the Project supports sustainable development.

Letter of Approval

We authorise:

- a. the participation of Market Coke Waste Heat Recovery Project, as a CDM Project;
- b. Exxaro Resources Limited (Exxaro), as the project proponent to participate in the CDM Project;
- c. Exxaro Resources Limited (Exxaro), 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. Exxaro Resources Limited (Exxaro) 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 Project must obtain all relevant authorisations as required by national laws;
- d. 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 Exxaro Resources Limited (Exxaro) 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, Exxaro Resources Limited (Exxaro) indemnifies the DNA against any loss that Exxaro Resources Limited (Exxaro) may suffer as a result of project implementation.

Yours Sincerely,



Ms N Magubane

Director-General

Date: 13 / 10 / 2012