

Stefanutti Stocks Roads, Earthworks and Pipelines

a division of Stefanutti Stocks (Pty) Ltd
Reg No. 2003/022221/07

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20 March 2019

Kannaland Local Municipality

reyno.stev@yahoo.com

InovaSure (Pty) Ltd

jaco@inovasure.com / max.urbanlife@gmail.com

Attention Messrs: R Stevens and J de la Rouviere

Dear Sirs

INOVASURE ENERGY VAULT PROJECT

With regard to the above matter, our letter dated 20 November 2019 and our subsequent appointment as Transaction Advisors, please note that we are pleased to inform you that we have completed the process as detailed in our letter dated 20 November 2019 and attached hereto for ease of reference, and that we can positively confirm our opinion as Transaction Advisors that the InovaSure Energy Vault proposal/s as set out in the referenced Feasibility Study and Financial Model/s are feasible as presented in terms of the financial and technical aspects thereof and worthy of implementation as a pilot implementation project as proposed.

In addition, we confirm the opinion, as provided by our legal Transaction Advisor, Fairbridges Attorneys, that the legal aspects thereof, to implement the project as a Public Private Partnership for a minimum of a 25 year period, assuming the non-objection by Treasury to the proposed project and its time period/s, have been suitably addressed over the period of the project since it was initiated in 2012, and we attach hereto a draft Public Private Partnership Agreement, along with attachments, for your perusal and comment.

Operational Directors: JC Dovey (Managing) ■ E Blom ■ RF Harrison ■ AC Kaufmann ■ JP Pells ■ MM Welsch

Directors: W Meyburgh (Group CEO) ■ A Cocciante (CFO) ■ RW Crawford ■ VE Olley ■ HF Schwegmann ■ MSM Sikhakhane



Please note that our advice and opinion as contained herein is subject to the assumption that the content of the Feasibility Study and Financial Model/s as provided by InovaSure (Pty) Ltd and attached to the draft PPP Agreement, as well as all other documents provided to us, are a true and correct reflection and culmination of the various studies that were carried out by the professionals in question and that we cannot vouch for the veracity, or not, as the case may be, of the underlying processes that were undertaken by these professionals to obtain the results which we have adjudicated and found to be feasible.

Should you be satisfied with the attached PPP document, and in the light of the Minutes of the Special Resolution taken by the Kannaland Local Municipality on 9 October 2018, we would advise you to complete the PPP Agreement and provide it to National Treasury GTAC division for approval or non-objection, at their discretion, so that the project may proceed to deployment.

We trust that the above is in order.

Kind Regards

A handwritten signature in black ink, appearing to be 'S', enclosed within a large, stylized circular flourish.

Stefanutti Stocks