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MEDIA RELEASE: Red Rocket's first hydro-electric power project achieves commercial operations

Free State, South Africa - The Kruisvallei hydropower plant, a project of Red Rocket reached commercial operations on 25 February 2021. The completion of this plant comes almost two years since construction began on 26 March 2019. Kruisvallei Hydro, as the project will be known, is the third hydropower project, procured under South Africa's Renewable Energy Independent Power Producer's Procurement Programme (REIPPPP) to come online. The project was awarded Preferred Bidder Status under Bid Window 4 of the REIPPPP.

Kruisvallei Hydro which is situated along the Ash River between Clarens and Bethlehem in the Free State Province is a one of a kind design for South Africa. Uniquely, the plant is split into two run-of-river hydropower plants that combine to supply 4MW of hydro-electric power through 2 turbines that will generate around 24GWh per annum providing power for some 1916 households. The Ash River flows vary from approximately 15m³ to 40m³ depending on the release schedule from the Lesotho Highlands Scheme. It is estimated that approximately 1 billion m³ of water will flow through each turbine each year.

Achieving commercial operations on this project also marks a significant milestone for Red Rocket EPC that constructed the 4MW hydropower project and the facility will be managed, operated and maintained by Red Rocket Asset Management and O&M Companies, respectively. This is the first project within its greater portfolio which was undertaken using the company's fully-integrated business model. Red Rocket will therefore have been responsible for and will participate in the full lifecycle of the project from development, design and construction to operation and maintenance.

Matteo Brambilla, CEO of Red Rocket says: "Building and operating a project of this nature closes the first of many circles for us as a fully-integrated IPP and we celebrate the completion of Kruisvallei, as an example of our capabilities and what we can bring to the market in the future." The project was developed, bid under the REIPPPP Round 4, sponsored, built, and will be operated and managed by Red Rocket.

Facility for Investments in Renewable Small Transactions (FIRST), established by the German Government through KfW Development Bank to provide simple, accessible and efficient debt funding for renewable energy projects in South Africa, provided funding of approximately R235m to the project whose total project investment is approximately R370million. Silke Stadtmann, Executive Director of FIRST, stated that: "The Kruisvallei project is a testament to the Red Rocket team who managed to deliver a successful project during uncertain times and demonstrated of the role, and potential, for renewable energy projects in South Africa."

H1 Holdings, which participates as a 46.5% shareholder via the project company, namely Zevobuzz (RF) (Pty) Ltd, also sees a growth in its portfolio through the completion of this project; making the project an authentic vehicle for empowerment through the power sector in South Africa. Reyburn Hendricks of H1 explained that the project assists in achieving its objective of improving the lives of people using the power sector as an access point. Says Hendricks: "We're excited to participate in this joint venture, where we will see South Africans receive meaningful improvements to their lives from ownership through to economic, social and development initiatives that we will undertake over the next two decades."

The Kruisvallei Hydro has committed a percentage of its annual revenues to initiatives in education, housing and sustainable enterprise development initiatives, in areas surrounding, for the life-cycle of the project.

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About Red Rocket South Africa (Pty) Ltd.

What began in 2012 as the Africa and the Middle East's business unit of Building Energy, a global independent power producer, that has since become Red Rocket. With the mothership located in Cape Town, we provide integrated solutions, from design and development to energy production, operation and maintenance, and asset management in South Africa and beyond.

We have 377 MW of plants currently in operation, under construction or awarded preferred bidder and ready to reach financial close with \$1 billion invested in various projects and a pipeline in excess of 2.0 GW in wind, hydro, and solar developments across the continent. Red Rocket's growth strategy is based on pursuing a balanced portfolio of renewable assets, market maturity, as well as currency exposure (ZAR, USD, and EUR).

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About FIRST Fund

FIRST is providing long term finance for small to medium-scale energy projects that reduce carbon intensity. Currently, our borrowers provide solutions in solar, biogas, small-scale hydro and industrial-scale energy efficiency and we are considering new opportunities in wind and integrated renewable energy projects with storage. Our core offering focuses on projects needing funding of R50m or more but we are also providing funding to projects as small as 200kw where they are part of a portfolio of projects. We generally provide extended tenors on our loans to help our clients to optimise their tariff structures. Nimble in our response to our clients' needs, our priority is to design bespoke funding packages that are simple and efficient to execute.

About H1 Holdings

H1 is a black owned infrastructure investment and development company with a strong focus on projects with a high ESG impact. H1 is active across the project development chain from greenfield development, equity investment and operations. H1 is a shareholder in a diversified portfolio of multi - technology assets with total gross MWs of just under 700 MW.