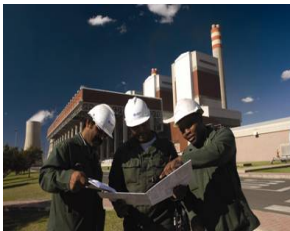


Role of Eskom in SA context



Role of Eskom: Reframing the context

- The impact of power disruptions is immeasurable
- Security of supply of power is intrinsically linked to the economic success of the country and the region
- Power security goes beyond the commercial motive
- An integrated and collaborative approach is the best path to success

- A united, democratic and prosperous South Africa
- Eradication of poverty and unemployment
- A thriving economy connected to the world and integrated with the broader African continent
- A sustainable economy, not harmful to the environment and committed to climate change mitigation initiatives
- Enhancing the potential of each citizen through an integrated education and skills development system
- Leveraging the role of financially sustainable SOE's to set a foundation for growth and development of the economy

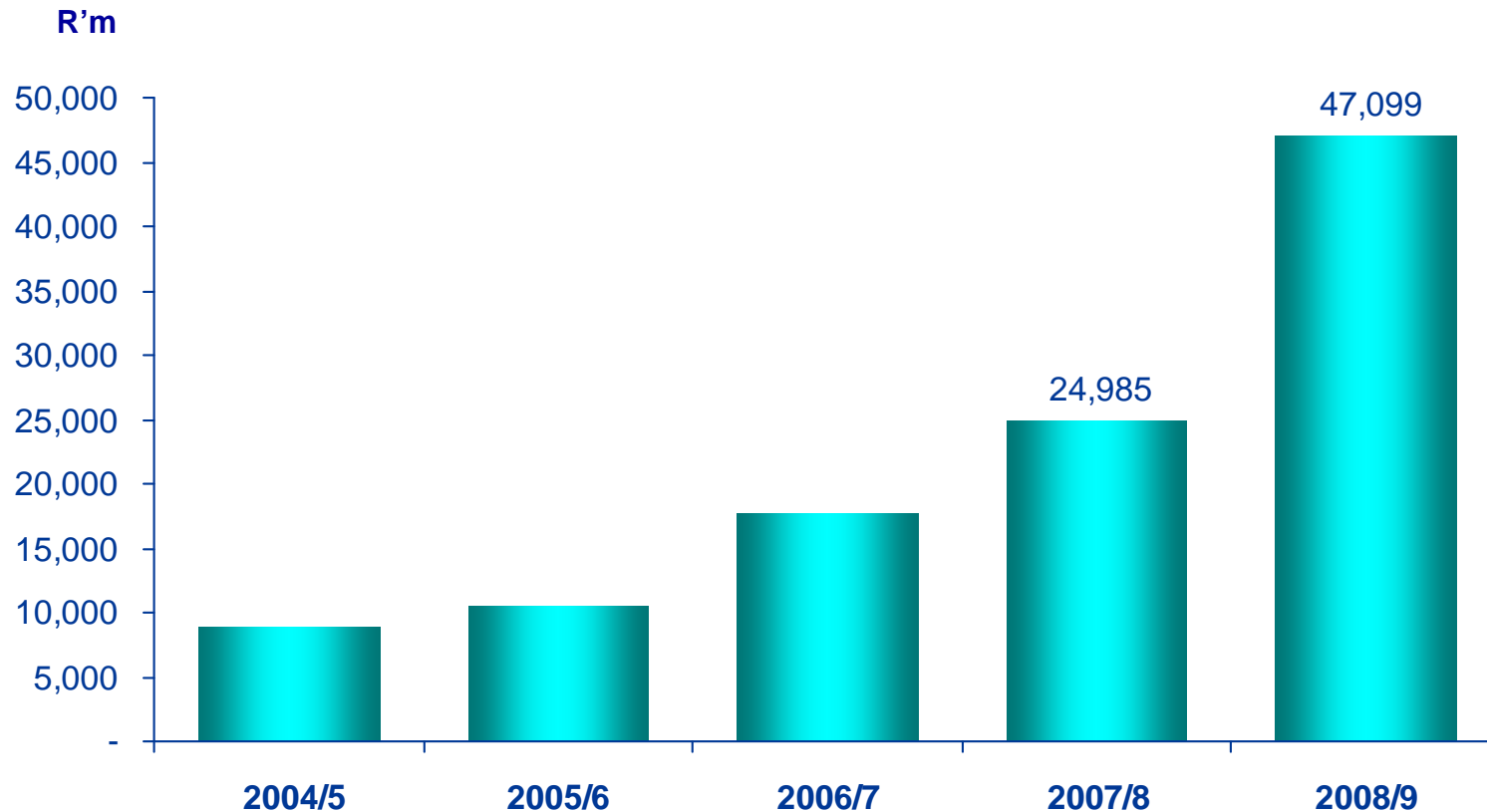
Capital expansion programme



Capital expansion programme

- **Return to service stations**
- **Open cycle gas turbine stations**
- **Three new power stations**
- **Transmission infrastructure**

Capital expenditure



Comparative projects

Eskom's three largest build projects

Ranked among the world's largest construction projects



5 yr capex on rail, port and pipeline upgrades



- Olympic Dam
- – world's largest mining project

- Three Gorges dam
- – world's largest electricity project



Ingula

Kusile

Medupi

Cumulative capacity added to system

Financial Year	Km Line	MVA	MW
2009/2010 (Projection)	428	3180	960
2008-2009	418	1375	1770
2007-2008	480	1355	1102
2006-2007	430	1000	1412
2005-2006	237	1090	170
2003-2005	397	5280	
Inception to date: 2005 -2009	1962	10100	4454
	262		
ITD (including 2010 Proj)	2652	13280	5414

Camden – 8 units

- All units currently operational (last unit since 31 July 2008)
- Camden's eight units added approximately 1 520MW net capacity to the national system



Grootvlei – 6 units

- Three units currently operational
- Last unit expected to be in operation by 2010
- Grootvlei's six units will add 1200MW net capacity to the national system



Komati – 9 units

- Two units currently operational
- Last unit expected to be in operation by end of 2011
- Komati units will add approximately 950MW net capacity to the national system



Gourikwa – located in Mossel Bay, Western Cape

- Five units peaking plant - 740MW
- Started commercial operation June 2007
- Expansion project complete



Ankerlig – located in Atlantis, north of Cape Town

- Nine units peaking plant -1 340MW
- Started commercial operation June 2007
- Expansion project complete

Medupi



- **First unit to be commissioned April 2012**
- **Tallest structure on site (lift shaft) completed**
- **High voltage (HV) yards, boiler and turbine foundations underway**
- **The project will see:**
 - **Enough concrete being used to build four Greenpoint stadiums**
 - **22nd largest power plant in the world**
 - **About 18 000 employment opportunities**
 - **More steel than the world's tallest building will be used (the Burj in Dubai)**

Kusile



- Six units that will generate approximately 4 800 MW
- 8 000 employment opportunity between 2009 to 2017
- R16 billion will be spent in the country

Ingula



- **Four units that will generate approximately 1 352 MW**
- **To be commissioned 2013**
- **First concrete on the dam wall of the upper reservoir was poured in July 2009**
- **Potential of about 6 000 employment opportunities**

Transmission projects

5-year plan for transmission lines:

765kV: 8 122km

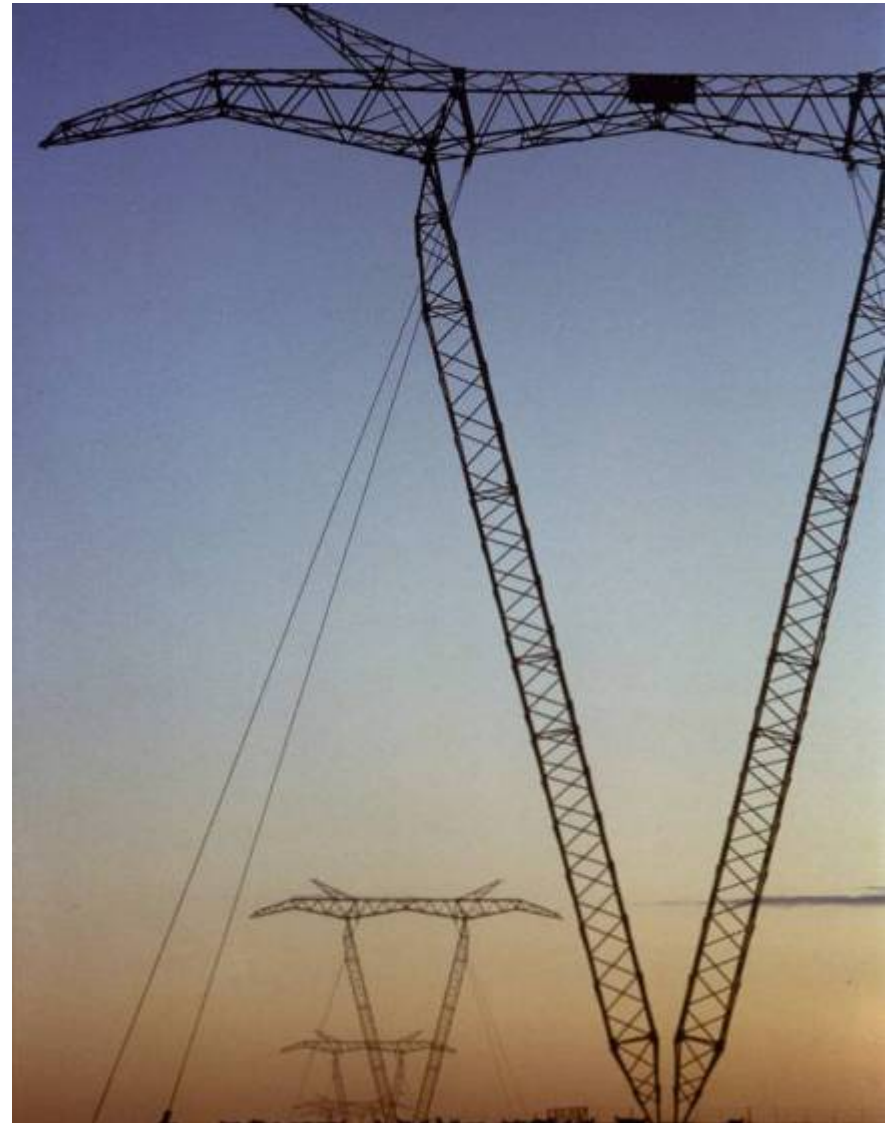
400kV: 7 768km

275kV: 310km

132kV: 293km

**Power delivery projects installed
since build programme inception:
2 062 km**

**Transformers installed to date
(since build programme inception):
10 100 MVA**



Summary – build programme

- 12 476 MW under construction
- 4 440 MW power station capacity
- 2 062km power lines
- 10 100 MVA in transformers completed
- 5-year capital expansion programme R385 billion (primarily committed projects)
- Current projects required to improve the reserve margin and to prepare South Africa for the economic upturn
- Significant job growth in South Africa (direct and indirect)
- Performance of projects under construction is monitored by consequent project assurance

- The climate change agenda is real and it is here
- Medium to long-term plans aligned to Government plans to mitigate and reduce relative emissions by 2025 and thereafter will see real reduction
- We must change our CO₂ footprint
- We will diversify our plant mix to reflect our climate change mitigation

- Committed to independent power producers
- Awaiting finalisation of the funding solution, cost recovery and cash consideration decisions
- In consultation with Government

1 Highlights for the year

2 Challenges requiring ongoing focus

3 Business Results for 2008/9

4 Outlook for 2009/10

5 Building for the future

6 Conclusion

- Providing power to South Africa is fundamental
 - Power is like oxygen to the economy
 - This is fundamental to the aspiration of our country
- The current operations have a substantial macro-economic footprint
 - The total value chain of Eskom is like a 'mini' economy
- The capital expansion programme is a major economic stimulus
 - Growing the economy
 - Mitigating the global economic crisis
- Ensuring adequate power for the future
 - Confidence in future supply key to economic growth
- Confident that the country will find an integrated funding solution

Thank you

