

26th September 2023, Johannesburg, Republic of South Africa - Announcing the execution of a Memorandum of Co-Operation between Transnet and GreenCo to conduct research and development on the viability of Green Hydrogen to power freight trains in South Africa

Africa GreenCo Group, through its South Africa-based operating company **GreenCo Power Services (Pty) Limited** (together, **GreenCo**), is delighted to announce that on 11th September 2023 it completed the execution of a Memorandum of Co-Operation (**MOC**) with **Transnet SOC Limited (Transnet)**, a public company owned by the Government of South Africa which is the custodian of South Africa's rail, port and pipeline infrastructure. This project will be supported by a grant provided by the Private Infrastructure Development Group (**PIDG**) Technical Assistance (**PIDG-TA**), a key financial organisation funding, *inter alia*, innovative infrastructure developments in sub-Saharan Africa that is actively involved in green energy transition projects.

Following the execution of the MOC, GreenCo and Transnet will collaborate on a study to establish the techno-commercial viability of Green Hydrogen (GH₂) to power freight trains in South Africa, as well as a preliminary project design and parameters of a GH₂ Pilot Project.

The MOC reiterates GreenCo's long-term commitment to integrating Southern Africa's power markets, mitigating climate change, improving energy security, and enhancing efficiency in the power sector, aligning with global efforts for a sustainable energy transition.

One of the ways GreenCo seeks to achieve this is by introducing Green Hydrogen (GH₂) as an alternative fuel for rail transport, particularly for mining sector freight. This aims to reduce the industry's long-term fuel costs and improve cost predictability by de-risking renewable energy generation and thus reducing its cost of capital, and by leveraging its integration to the Southern Africa Power Pool (SAPP) to optimise the use of electrolyzers and reducing the energy costs of hydrogen production.

GreenCo will be at the Hydrogen (H₂) Africa Summit from the 28th to the 29th of September being held at the Emperors Palace, Johannesburg, South Africa. If you would like to find out more about our project and engage with our team please get in touch with us at info@africagreenco.com.

About GreenCo, Transnet and PIDG

GreenCo. Africa GreenCo Group via its operating entity GreenCo Power Services (Pty) Limited acts as an intermediary offtaker and service provider, purchasing power from renewable energy generators and selling that electricity to utilities and private sector offtakers (i.e. commercial and industrial users) and markets of the SAPP. GreenCo will mitigate the risk of purchaser default through an ability to secure alternative buyers or through short-term trading on the SAPP electricity markets. Through its participation in competitive power markets, GreenCo will promote cross-border power transactions and a more dynamic and liquid short-term power market. Through its activities, GreenCo will also increase the supply of, and demand for, finance for energy projects, and mobilise private sector capital more quickly towards critical and transformative capacity addition. **For more information please see: <https://africagreenco.com/>**

Transnet. Transnet SOC Limited is a state-owned freight transport and logistics company. Transnet operates the main ports, rail network and freight railways, and multi-product hydrocarbon pipeline network in South Africa. The company offers cargo handling, logistics, transportation, and transshipment of general freight commodities and containerized freight, refined petroleum, crude oil, aviation fuel, and gas, and port infrastructure and marine services. The company provides integrated transport solutions for industrial and commercial customers in the bulk and manufacturing sectors. The company is fully owned by the South African government but operates as a corporate entity aimed at both supporting and contributing to the country's freight logistics network. Transnet is headquartered in Johannesburg, Gauteng, South Africa. **For more information please see: <https://www.transnet.net/>**

The Private Infrastructure Development Group (PIDG) is an innovative infrastructure development and finance organisation which encourages and mobilises private investment in pioneering infrastructure in the frontier markets of sub-Saharan Africa and south and south-east Asia to promote economic



development and combat poverty. PIDG delivers its ambition in line with its values of opportunity, accountability, safety, integrity and impact. Since 2002, PIDG has supported 157 infrastructure projects to financial close and provided 209 million people with access to new or improved infrastructure. PIDG is funded by six governments (the UK, the Netherlands, Switzerland, Australia, Sweden, Germany) and the IFC. PIDG TA can provide technical assistance and capital grants to the PIDG Companies to meet a range of needs associated with an infrastructure project’s lifecycle. PIDG TA can also provide upfront viability gap funding grants to support PIDG projects that require concessional funding to make a project with strong development impact financeable. **For more information please see: <https://www.pidg.org>**

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