

DNA Letter of Approval

To: Mr Johan van der Berg
MethCap SPV1 (Pty) Ltd
PO Box 829
Rant-en-Dal
KRUGERSDORP 1751

23 February 2006

South African
Designated National Authority
for the
Clean Development Mechanism
of the
Kyoto Protocol to the United Nations Framework
Convention on Climate Change



Office of the Director General in the
Department of Minerals and Energy
Contact: L Tyani 012 317 8227

**Designated National Authority (DNA) for the Clean Development Mechanism (CDM):
Unconditional Letter of Approval for the PetroSA Biogas to Energy Project**

1. Reference is made to the Letter of Approval for the PetroSA Biogas to Energy Project, issued by the Designated National Authority of South Africa (DNA) on 16 February 2006.
2. The DNA confirms fulfilment of Black Economic Empowerment (BEE) participation requirement in the project.
3. The project is subsequently approved without any conditions.
4. The DNA authorises the participation of MethCap SPV1 (Pty) Ltd in the CDM project.

Yours faithfully



Lwazikazi Tyani

Director: Designated National Authority

Date: 23/02/2006



DEPARTMENT: MINERALS AND ENERGY
 REPUBLIC OF SOUTH AFRICA
 Tel: 012-317 8000
 Fax: 012-322 3416

FAX COVER SHEET

DATE: 17 February 2006

TO:	Mr Johan van der Berg		
ORGANISATION:	MethCap SPV1 (PTY) LTD		
FAX:	011 665 1577		
FROM:	Winniefre Maswanganye		
TEL:	012 317 8309	ROOM NO:	
FAX:	012 322 7312		
E-MAIL:	winniefred.maswanganye@dme.gov.za		
NO PAGES:	3		
SUBJECT:	Letter of Approval		
MESSAGE:			

 Type your name for signature

DNA Letter of Approval

To: Mr Johan van der Berg
MethCap SPV1 (Pty) Ltd
PO Box 829
Rant-en-Dal
KRUGERSDORP 1751

16 February 2006

South African
Designated National Authority
for the
Clean Development Mechanism
of the
Kyoto Protocol to the United Nations Framework
Convention on Climate Change



Office of the Director General in the
Department of Minerals and Energy
Contact: L Tyoni 012 317 8227

Designated National Authority (DNA) for the Clean Development Mechanism (CDM): Letter of Approval for the PetroSA Biogas to Energy Project

1. The DNA refers to the application for the DNA's Letter of Approval for the PetroSA Biogas to Energy Project, submitted by MethCap SPV1 (Pty) Ltd, herein referred to as the Project.
2. South Africa has ratified the United Nations Framework Convention on Climate Change and the Kyoto Protocol and is in compliance with its obligations under these international instruments.
3. The DNA is the authorised body in South Africa to issue Letters of Approval for CDM projects.
4. South Africa participates voluntarily in the CDM and in the Project.
5. The DNA confirms that
 - a. the Project is located in Duinzicht, Mossel Bay, in the Western Cape.
 - b. the boundary for the project activity for the PetroSA Biogas to Energy Project is the generation of electricity from waste gas (biogas) to drive the production processes at the Duinzicht plant in Mosselbay.
 - c. the Project assist in support development in South Africa.
 - d. the DNA cooperate with MethCap SPV1 (Pty) Ltd and the CDM Executive Board to facilitate the CDM project cycle, to the extent possible.
6. The DNA authorises:
 - a. the participation of MethCap SPV1 (Pty) Ltd in the CDM Project;
 - b. by virtue of South Africa's national ownership of any and all greenhouse gas emissions reductions generated in the Republic within the framework of the above-mentioned international instruments and in the event that, upon generation of such greenhouse gas emissions reductions, MethCap SPV1 (Pty) Ltd

becomes the private owner of the right title and interest in such greenhouse gas emissions reductions, and the sale of such right title and interest by MethCap SPV1 (Pty) Ltd

7. The duration of validity of this Letter of Approval shall be 24 months from the date hereof.
8. The authorisation granted in terms of this Letter of Approval is conditional upon:
 - a. the implementation and maintenance of the equity ownership by historically disadvantaged individuals in the Project mentioned in the letter submitted by Mr Charles Lieberberg, on behalf of MethCap SPV1 (Pty) Ltd to the DNA filed Request for Host Country Approval – PetroSA Biogas to Energy Project, dated 23 January 2006;
 - b. Project development being in accordance with the Project Design Document dated January 23, 2006;
9. The DNA retains the right to withdraw the authorisation granted in terms of this Letter of Approval in the event of non-compliance with the conditions mentioned at paragraph 8, above.
10. The granting of this Letter of Approval does not guarantee the registration of the Project as a CDM project by the CDM Executive Board.
11. By its acceptance of this Letter of Approval MethCap SPV1 (Pty) Ltd Limited indemnifies the DNA against any loss that MethCap SPV1 (Pty) Ltd may suffer as a result of MethCap SPV1 (Pty) Ltd implementation of the Project.

Yours faithfully


Advocate Sandile Ngqina

Director General

Date: 14/02/06