

PRESS RELEASE

ACWA Power and Industrial Development Corporation of South Africa (IDC) set to explore green hydrogen projects in South Africa

- Agreement signed during the state visit of the President of South Africa to Saudi Arabia
- Agreement intends to accelerate the green hydrogen economy in South Africa
- Proposed partnership paves the way to project(s) potentially valued at US\$10 billion

Riyadh, Saudi Arabia; October 20, 2022: ACWA Power, a leading Saudi developer, investor, and operator of power generation, water desalination and green hydrogen plants worldwide, and the Industrial Development Corporation of South Africa (IDC), a government-owned Development Finance Institution, today signed an extensive memorandum of understanding (MoU) exploring a partnership in the development of green hydrogen and its derivatives in the Republic of South Africa.

This partnership coincides with the state visit of the South African President Cyril Ramaphosa to the Kingdom of Saudi Arabia. The agreement was digitally signed by Paddy Padmanathan, Vice Chairman and Chief Executive Officer of ACWA Power; Clive Turton, Chief Investment Officer of ACWA Power; Rian Coetzee, Head of Industry Planning and Project Development at IDC; and Russell Wallace, Manager of Legal Services at IDC, with agreement copies exchanged at a gathering attended by executive dignitaries.

This is the first agreement of its kind between ACWA Power and the IDC, but the parties have previously collaborated for equity in a renewable energy plant in South Africa. The potential value of this MoU is estimated at US\$10 billion. ACWA Power will function as the developer for green hydrogen and its derivatives in South Africa, with the IDC acting as co-developer and equity partner in the proposed projects.

“With tangible renewable energy development commitments in South Africa already contributing to the country’s clean energy goals, the signing of the MOU with the IDC for the development of green hydrogen is a significant step towards further investing in diversifying the country’s energy mix and accelerating its green economy,” said **Paddy Padmanathan, Vice Chairman and Chief Executive Officer, ACWA Power**. “As a company that is driving energy transition, ACWA Power is proud to work closely with the IDC with whom we share a robust working history, and today we are delighted to take our collaboration further. I am confident that our expertise in developing mega-scale green hydrogen projects in other geographies will enable us to successfully create a new avenue of sustainable energy generation, one that will pave the path to further progress” **he added**.

South Africa has a net zero target for 2050 and plans to become a significant producer and exporter of green hydrogen and its derivatives. Accordingly, the government has mandated the IDC to lead the development and commercialisation of the green hydrogen economy. The IDC, in partnership with the Green Hydrogen Panel, is in the process of finalising the South African

Green Hydrogen Commercialisation Strategy (GHCS).

“The IDC recognises the substantial value and benefits that the green hydrogen economy will bring to South Africa. The green hydrogen economy presents new economic, skills, employment and community opportunities for the country. We are pleased to explore potential partnership opportunities with ACWA Power, given its pedigree and expertise in this industry,” said **Joanne Bate, Chief Operating Officer, IDC**.

The IDC is currently supporting the development of several catalytic projects in the green hydrogen value chain including green hydrogen and ammonia production, mobility projects and decarbonisation of hard-to-abate sectors using green hydrogen. IDC is also exploring bespoke funding solutions with co-funders for green hydrogen projects and supporting the required regulatory and policy changes to foster a conducive environment for the development of this new green hydrogen industry for South Africa.

Given ACWA Power’s experience in the South African renewable energy industry and in green hydrogen projects abroad, the company can play a meaningful role in supporting the objectives of the GHCS. Both parties will carry out a feasibility study, potentially cooperate, jointly develop and co-invest in projects in the green hydrogen value chain in South Africa. This MOU with ACWA Power will support the implementation of the GHCS and will contribute towards the country’s green hydrogen production targets.

ACWA Power has had a footprint in South Africa since 2016, and currently has two solar energy plants—Bokpoort and Redstone—in the country. Both projects utilise concentrated solar power technology.

With key projects in Saudi Arabia and Oman, the company is ramping up green hydrogen projects at scale in different locations globally.

The NEOM Green Hydrogen Company, a joint venture with ACWA Power, NEOM and Air Products, is developing the world’s largest green hydrogen project in Saudi Arabia. When commissioned in 2026, it will produce up to 650 tonnes per day of green hydrogen. By that date, the project will mitigate the impact of 3 million tonnes of carbon dioxide per year.

In addition, ACWA Power, as part of a joint venture, also recently signed a Joint Development Agreement towards a multi-billion-dollar investment in a world-scale green hydrogen-based ammonia production facility powered by renewable energy in Oman; as well as two Memoranda of Understanding in South Korea with different industrial partners.

-ends-

MORE NOTES FOR EDITORS:

About ACWA Power

ACWA Power (TADAWUL:2082) is a developer, investor and operator of power generation, desalinated water and green hydrogen production plants. Registered and established in **2004** in Riyadh, Saudi Arabia; ACWA Power employs over **3,900** people and is currently present in **13** countries in the Middle East, Africa, Central Asia and Southeast Asia. ACWA Power’s portfolio comprises **67** projects in operation, advanced development, or construction with an investment value of **SAR 249.3 billion (USD 66.5)**, with capacity to generate **42.7 GW** of power and manage **6.2** million m³/day of desalinated water per day, delivered on a bulk basis to address the needs of state utilities and industries on long term, off-taker contracts under utility services outsourcing and Public-Private-Partnership models.

ACWA Power’s mission is to deliver electricity and desalinated water reliably and responsibly at a low cost, thereby contributing effectively to the sustainable, social and economic development of communities.

Media contacts:
ACWA Power
Sabina Khandwani
Executive Director - Marketing & Communications
SKhandwani@acwapower.com