December 10, 2012

Honorable Elizabeth Peters
Minister of Energy
Private Bag X96
Pretoria, 0001
REPUBLIC OF SOUTH AFRICA

Dear Minister Peters:

Global Environment Facility (GEF) Trust Fund Number TF091191 Renewable Energy Market Transformation Project – Amendment

We refer to the Global Environment Facility Trust Fund Grant Agreement (Renewable Energy Market Transformation Project) between Republic of South Africa (the Recipient) and the International Bank for Reconstruction and Development (the Bank) acting as an Implementing Agency of the Global Environment Facility (GEF) dated April 10, 2008 (the Agreement), as amended. We also refer to your letter dated June 29, 2012, requesting for amendment to the Agreement.

We are pleased to inform you that the Association concurs with your request and hereby proposes to amend the Agreement as follows:

1. The Closing Date referred to in Section IV.B.2 of Schedule 2 to the Agreement shall be September 30, 2013.

2. The table set forth in Section IV.A.2 of Schedule 2 to the Agreement is amended as set forth in the Annex to this letter.

All other provisions of the Agreement, as amended herein, shall remain in full force and effect.

Please indicate your agreement with the foregoing amendment to the Agreement on behalf of the Recipient by countersigning and dating the two original copies of this letter and returning one countersigned original to us. The amendments to the Agreement shall become effective as of the date of countersignature of this letter.

Yours sincerely,

Asad Alam
Country Director for South Africa
Africa Region

PO Box 12629 • Hatfield 0028 • Pretoria (Tshwane) • South Africa
CONFIRMED:

REPUBLIC OF SOUTH AFRICA

By:

Authorized Representative

Date: 23/01/2013

cc.: Ms. Nelisiwe Magubane, Director General, Department of Energy
Mr. Omphi Aphane, Deputy Director General, Policy Planning and Clean Energy, Department of Energy
Ms. Mokgadi Mathkgana, Chief Director, Clean Energy, Department of Energy
Ms. Nomawethu Qase, Director, New and Renewable Energy, Department of Energy
Ms. Mmakgoshi Phetla-Lekhethe, Deputy Director General, International & Regional Economic Policy, National Treasury
Mr. Themba Zulu, Director: International Economic Relations, National Treasury
Ms. Wilna Van Zyl, Director (Divisional Support Manager), International & Regional Economic Policy, National Treasury
Mr. Mansur Muhtar, Executive Director for South Africa, World Bank
### ANNEX

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>Amount of the Grant Allocation (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants' services (under Matching Grants)</td>
<td>2,191,439</td>
<td>100% of foreign expenditure and 83% of local expenditures.</td>
</tr>
<tr>
<td>(2) Consultants' services and goods (under Performance Grants)</td>
<td>61,450</td>
<td>100% of foreign expenditure and 83% of local expenditures.</td>
</tr>
<tr>
<td>(3) Other Consultants' services</td>
<td>2,847,269</td>
<td>100% of foreign expenditure and 83% of local expenditures.</td>
</tr>
<tr>
<td>(4) Training and Workshops</td>
<td>45,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Operating Costs</td>
<td>600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>254,842</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,000,000</td>
<td></td>
</tr>
</tbody>
</table>