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MEDIA RELEASE

Ref: No. 283**MIDGARD COUNTRY ESTATE GOES GREEN****WINDHOEK, 15 JANUARY 2018**

A newly constructed Solar Power Plant at Midgard Country Estate will save the establishment more than N\$17 million in electricity cost and thousands of tons of CO² over the next 25 years. On Thursday, 21 December 2017, the plant constructed by the strategic partner of O&L Energy, Cronimet Mining Power Solutions, was officially handed over to O&L Energy (owner and financier of the project) – a subsidiary of the O&L Group.

Terence Makari, Managing Director of O&L Leisure (custodian of Midgard Country Estate), and a subsidiary of the O&L Group says the 128 kilowatt at peak (kWp) power plant is part of the company's journey towards going green. Makari: "We are passionately committed to the O&L Group Vision Metric of reducing our carbon footprint by 20% by 2019. The solar power plant at Midgard which has been in operation since 21 December 2017 is only the beginning of our journey towards adjusting our electricity usage to a more environmental friendly system across the O&L Leisure portfolio."

According to O&L Energy CEO, Bernd Walbaum, the N\$4 million Solar Power Plant at Midgard is partly subsidized by CRONIMET Mining Power Solutions' development program together with the German Investment & Development Organization (Deutsche Entwicklungs- und Investitionsgesellschaft "DEG"), on condition that the plant be used as a demonstration for training purposes to universities, programs and individuals as may be determined by the DEG. Walbaum adds that its strategic partner Cronimet Mining Power Solutions is currently constructing another larger solar power plant at the Etosha Mokuti Lodge – a member of the O&L Leisure portfolio – expected to be operational later this month. Walbaum: "We also agreed with O&L Leisure to build, own and operate a new hybrid solar power plant with battery storage and diesel generators at its Chobe Water Villas."

Walbaum says that a significant aspect of the power plant at Midgard is the speciality service which includes a Monitoring and Energy Management System designed to optimally manage power consumption of the lodge. Walbaum: "The production of electricity at Midgard will thus be optimized by the system to suit the demand. The system can also manage energy consumption, thus contributing significantly, and even further to cost-saving on electricity usage."



Due to the weather conditions at the coast, the construction of a solar power plant for the Strand Hotel Swakopmund is not an option at this stage. Makari: "However, we do host other sustainable systems at the Strand Hotel Swakopmund, in support of our contribution to controlling the energy usage at the facility. Some of these include the automatic switching off of lights when residents remove their access cards from the card holder and exit the rooms. We are also reviewing a carbon neutrality strategy that will enable the O&L Group companies to acquire PV electricity through future wheeling agreements and through inhouse carbon offset credits that allow grid-connected operations like the Strand Hotel to sponsor carbon offset certificates provided by OLC Solar Energy, O&L Group's renewable energy IPP subsidiary, for the renewable energy it generates and sells to Namibia's national and regional distributors. "

The Solar Power Plant at Midgard Country Estate intertwines with the current renovations process currently underway at the establishment. The first phase of the renovations master plan for Midgard, which kicked off earlier this year entailed minor renovations to existing structures and the removal of certain absolute structures. Makari: "The renovations are being done to revitalize, upgrade and enhance our guests' experience, and to return Midgard to its former glory where memories have been created amongst friends and family, and to bring the property on par with the others within the O&L Leisure portfolio."

O&L Executive Chairman, Sven Thieme says this partnership between O&L Leisure and O&L Energy/Cronimet Mining Power Solutions contributes significantly to the O&L Vision Metric of reducing its carbon footprint with 20% by 2019. Thieme: "It makes me very proud to be a part of such a dynamic and passionate team of breakthrough thinkers and leaders, in contribution to our purpose of 'creating a future, enhancing life' – which is exactly what they are doing through these initiatives which will contribute significantly to environmental sustainability, thus add value to the future of this nation."

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