



Mahlako Gas Energy Proprietary Limited (MGE) Collaborates on Strategic Investment in Tetra4

[06 February 2024, Johannesburg] Mahlako Gas Energy Proprietary Limited (MGE), established by Mahlako Financial Services, is delighted to announce the successful conclusion of its investment in Tetra4 Proprietary Limited, holder of South Africa's first onshore petroleum production licence. This historic transaction sees MGE take up a 5.5% equity stake in Tetra4, marking a significant milestone in this strategic partnership with Renergen to further diversify South Africa's sources of primary energy through the production of indigenous natural gas alongside helium for industrial use.

MGE comprises the Mahlako Energy Fund and Thirdway Investment Partners Fund I, both of which bring significant experience to Tetra4, and are women-led investment teams renowned for their successful track record in investing in transformative and impactful energy infrastructure projects.

Through the project, South Africa has joined the ranks of only eight countries in the world to produce liquid helium. Helium is an essential element required in many industries. It is typically recovered as a by-product of natural gas. The liquid helium produced from the Virginia Gas Plant will be predominantly used for exports to meet global demand, with countries such as the U.S. consuming roughly 35,000 kilograms of helium per day. This aligns seamlessly with the shared vision for a just energy transition during a crucial period of the energy crisis in the country. The project not only enhances domestic energy production, reducing reliance on imports, but also introduces a cleaner energy source to contribute to South Africa's sustainable future.

"Our commitment symbolises our dedication to promoting economic transformation and diversity within the energy sector. Together, we embark on a journey towards a cleaner energy future for South Africa," commented Meta Mhlarihi, Co-Principal of the Mahlako Energy Fund.

The transaction is timely, as the nation strategically addresses its long-term capacity needs outlined in the Integrated Resources Plan (IRP) 2023. This investment speaks to the IRP's overarching goals of ensuring security of supply, enhancing energy affordability, and actively contributing to carbon emission reductions.

"We are enthusiastic about the opportunities that lie ahead and the positive impact our partnership will have in the energy transition for our country. This investment aligns strongly with the draft Integrated Resource Plan (2023) which sees a doubling of the allocation to dispatchable gas to power, which will allow for the introduction of a greater amount of intermittent renewable energy capacity to the network, while reducing the overall carbon intensity of the power generation sector," reflected Makole Mupita, Co-Principal of the Mahlako Energy Fund.

Since its establishment, the Mahlako Energy Fund has been dedicated to taking a prominent role in advancing South Africa's energy security. Guided by the principle that substantial

growth hinges on energy, the Fund, with its expanding portfolio and deal pipeline, serves as a catalyst in guiding the energy sector towards a positive trajectory.

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