



Media Statement

12 January 2024

GOL Loses Rescission Application

German renewable energy company Frazer Solar GmbH (FSG) has achieved an overwhelming victory in its long running legal battle with the Government of Lesotho (GOL) with the South African High Court throwing out GOL's application to overturn FSG's arbitration award of €50 million plus costs and interest.

On 12 January 2024 the parties received the ruling dated 31 August 2023 for the South African High Court hearing heard on 6-7 June 2023.

Three parties appeared at the hearing:

1. Government of Lesotho (Applicant)
2. Frazer Solar GmbH (First Respondent)
3. South African Ministry of Justice (Seventh Respondent)

GOL sought and failed to:

1. Set aside FSG's arbitration award (of €50 million plus costs and interest)
2. Rescind the court order to allow seizure of the government's assets

The Judge:

1. Dismissed GOL's application in its entirety
2. Ordered GOL to pay FSG's legal costs
3. Ordered GOL to pay the SA Ministry of Justice's legal costs

A spokesperson for FSG said "This is an overwhelming defeat for GOL. GOL lost on all the legal arguments it raised. The false narrative of fraud, corruption and deceit pedalled by former Prime Minister Dr Moeketsi Majoro has been completely debunked. Dr Majoro's attempts to intimate FSG executives with bogus criminal charges has failed. Former Minister in the Prime Minister's Office Temeki Tsolo has been completely exonerated. Tsolo deserves an apology and restitution from the government for the false accusations made against him by Dr Majoro. To be crystal clear, we say Dr Moeketsi Majoro's actions and inactions are the sole cause of the situation Lesotho finds itself in today."

The spokesperson continues "The Judge's ruling aligns perfectly with what Frazer Solar has been saying publicly since May 2021. Therefore, it should be no surprise to anyone that Frazer Solar has prevailed so convincingly. Basotho may be looking for answers on what has happened and how the GOL's case has so spectacularly imploded. We say, look no further than Dr Moeketsi Majoro himself. In our opinion, it is clear Dr Majoro through hubris or poor advice has mishandled the matter from the outset. As we have repeatedly stated, Dr Majoro has made many statements, which are untrue and now have proven to be untrue. Majoro said Tsolo wasn't authorised to sign the contract, but the court found he was. Majoro said no-one in the government knew about the contract, but the court found this to

be false. Majoro alleged corruption and fraud, yet this was never raised at trial as there was no evidence to substantiate these false claims. Majoro said GOL wasn't aware of the legal proceedings, but the court found Majoro knew everything but chose to do nothing. Majoro believed the Lesotho High Court ruling to nullify the contract would be relevant, but it wasn't. Perhaps one of Majoro's bigger miscalculations was the inclusion of the South African Ministry of Justice. It is likely Dr Majoro sought to include the South African government as he thought they would support GOL's case. However, this backfired on Majoro and torpedoed GOL's case when their independent position agreed completely with Frazer Solar's own legal argument.

"This case is significant as this was the first time GOL participated in the legal process. Prior to this, GOL had ignored the proceedings. GOL belatedly sought to nullify the arbitration award, and it mistakenly believed that its belated participation would achieve this. Now GOL has lost, it has few if any options left to avoid complete defeat. We understand there is no automatic right to appeal the decision, and we firmly believe there are no reasonable grounds to assume GOL would prevail should an appeal be granted.

"Pending the outcome of any appeal, Frazer Solar believes its award will remain fully intact. Lesotho would have run out of road to overturn the award. Failure to pay the fully legal debt owed to Frazer Solar would, among other things, have a negative impact on Lesotho's credit rating and desirability as a destination for foreign investment.

"We urge Prime Minister Sam Matekane to acknowledge the reality that Lesotho has lost and to reach out to us to settle the matter. Each day that goes by, the amount of money owed to Frazer Solar increases, so the sooner GOL settles the better for Lesotho. The subject of settlement has been raised before but was resoundingly rebuffed. Prime Minister Matekane's government rejected an offer by current UK MP and former British Attorney General Sir Geoffrey Cox to mediate the matter in December 2022.

"We estimate that the total debt owed to Frazer Solar, including interest and costs, is in the vicinity of €58 million (US \$64 million, M1.2 billion). As for Frazer Solar's future intentions, failing settlement, Frazer Solar will continue to enforce our legal rights with renewed vigour on the back of this overwhelming legal victory through any appeal process, and then to restart asset seizure actions in any and every country in the world where Lesotho has assets until we receive every single cent of what is rightfully owed to us."

Ends

Notes to Editors:

This media statement has been prepared in simple non-legalistic English to aid the general public's understanding. It is not legal advice or our formal legal position and is meant for general information purposes only. For those wanting more information, Frazer Solar has made the ruling itself and other information available at the following website:

<https://www.frazersolarvlesotho.com/legal-documents>