



*Office of the Prime Minister
Kingdom of Lesotho*

18 June, 2021

MEDIA STATEMENT

UPDATE: FRAZER SOLAR GBMH versus the Kingdom of Lesotho

The Nation will recall that on 26th May 2021, the Government of the Kingdom of Lesotho received notification that the High Court of the Republic of South Africa had confirmed a default arbitral award in favour of Frazer Solar GBMH and ordered that the company could enforce attachment of Lesotho's assets pursuant to that award.

The Government immediately swung into action, authorising the Attorney General to do everything to prevent any enforcement action by Frazer Solar GMBH and to protect all assets belonging to the Kingdom of Lesotho.

Government then appointed four law firms in South Africa to work collectively to formulate an application for stay of execution at the same High Court in South Africa that turned the arbitral award into an order of court. In addition, the Government has received support from the Africa Legal Support Facility of the African Development Bank, which deployed a team of legal experts within one week of request and has been offering assistance since then.

In addition, Government dispatched a ministerial delegation to the Republic of South Africa recently to engage the authorities there on this matter which affects both Countries on several fronts. The authorities in Germany (the domicilium of Frazer Solar) have also been apprised of these developments and Lesotho has requested

assistance. In the meantime, Government has established a Commission of Inquiry to help Basotho to learn and understand what transpired up to the point an order to seize Lesotho's assets was issued in South Africa. It is hoped that this Commission will resume its sitting next week and it should have completed the findings within a period of one month.

Lesotho's law enforcement agencies have also initiated investigations on the matter.

As of today, Frazer Solar GMBH has applied for enforcement of the arbitral award in South Africa, Mauritius, United States of America, and the United Kingdom. We further understand that in South Africa, Frazer Solar GMBH has applied to attach Lesotho's assets or revenue with the Trans-caledon Tunnel Authority, which is an entity authorised by the Republic of South Africa to pay Lesotho's royalties, Lesotho Electricity Company accounts with South Africa's power utility, Eskom, Lesotho's shareholding in Wiocc—the West Indian Ocean Undersea Cable Company headquartered in Mauritius, and the Lesotho Highlands Water Project accounts held in South Africa. In addition to Government lodging an application for stay, individual agencies targeted by Frazer Solar GMBH have filed their own contestations separately. We have also learnt that Frazer Solar GMBH has retreated on the matter affecting LEC and that other applications are under way.

Today, 18th June, 2021 our lawyers filed an application for stay in the High Court of South Africa. As is customary, it is expected that this filing should halt any further action by Frazer Solar GMBH until the courts have dealt with the application for stay. In its application, government disputes that there is a binding supply agreement with Frazer Solar GMBH that can be enforced and that Frazer Solar fully knows this.

Because of the sensitive nature of this case, Government has been sparse in providing detailed information so as to avoid exposing its defence strategies. As the case goes public, more detailed information will be provided.

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