

MEDIA ADVISORY – ASSET SEIZURE; GOVERNMENT OF LESOTHO

Overview

On Monday 17 May 2021, lawyers acting for Frazer Solar GmbH ('FSG') began a worldwide enforcement action against assets held by the Kingdom of Lesotho. Enforcement followed a full and final arbitration ruling in South Africa against the Kingdom of Lesotho, which awarded €50 million in damages to FSG.

Enforcement Proceedings

Enforcement activity commenced on 17 May 2021 against assets held by – or owed to – the Kingdom of Lesotho in foreign jurisdictions. Revenues and royalties **have now been seized** from water, electricity, and internet assets.

To date, despite the physical seizure of assets, the GOL has still made **no attempt to contact** FSG's lawyers to discuss the litigation or attempt to stop further asset seizures.

Government Response

On 19 May 2021, Prime Minister Moeketsi Majoro gave statements to the media claiming that he wasn't aware of the litigation and that "Lesotho's properties both in Lesotho and overseas are protected and we don't think the action that [Frazer Solar] are proposing will succeed."

The GOL has been formally notified of these legal proceedings on 25 separate occasions over a period of 25 months since 2019, including on 21 April 2019 when Prime Minister Majoro was notified of and given the opportunity to oppose the pending water royalties seizure.

Prime Minister Moeketsi Majoro was personally notified – one month in advance – of the seizure of water royalties and chose not to oppose the seizure.

Assets Seized

The following GOL assets **have now been seized** or are subject to provisional seizure:

Asset/Entity	Status
Water Royalties owed to GOL, Trans-Caledon Tunnel Authority Soc (South Africa)	On 17 May 2021, lawyers acting for FSG served notice to the Trans-Caledon Tunnel Authority Soc. Ltd (Centurion, South Africa) directing the transfer of royalties owed to the Government of Lesotho in connection to the Lesotho Highlands Water Project (LHWP), which delivers water to South Africa. Royalties will be collected by FSG on an ongoing basis until the outstanding judgment debt is satisfied.
Electricity Revenues owed to GOL, Eskom (South Africa)	On 21 May 2021, lawyers acting for FSG served notice to Eskom directing the transfer of electricity revenues owed to the Government of Lesotho in connection to the Lesotho Highlands Water Project

	<p>(LHWP).</p> <p>Revenues will be collected by FSG on an ongoing basis until the outstanding judgment debt is satisfied.</p>
<p>Shareholding owned by GOL, West Indian Ocean Cable Company (WIOCC) Mauritius</p>	<p>On 19 May 2021, lawyers acting for FSG received confirmation from the Supreme Court of Mauritius that FSG's arbitral award had been recognised and was enforceable against assets held by the Kingdom of Lesotho in the jurisdiction of Mauritius.</p> <p>Enforcement activity is currently underway concerning the Government of Lesotho's shareholding in WIOCC, via the Lesotho Communications Authority. On 25 May 2021, service was made on WIOCC and the Government's shareholding has been provisionally seized.</p>