

Jubilee Platinum's power contract in South Africa reinstated

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Jubilee Platinum (LON:JLP) is to supply power to South Africa's national grid - after a purchase agreement was reinstated by the national energy provider.

Jubilee will supply all surplus capacity from its plant immediately and it expects to deliver around 5MW (megawatts) to the grid which equates to an expected revenue of £195 000 (ZAR3.5 million) per month.

Chief executive Leon Coetzer said the reinstatement of the private power purchase agreement (PPPA) by the national energy provider was welcomed but largely expected due to the continued pressure on the supply of electricity in the South Africa.

"The company will continue to review the potential of further increasing the power supply capability of our power plant to grow this revenue exposure.

"We expect the need for private power sales to further grow leading into the winter months in South Africa when historically the power demand in the country further increases."

The reinstatement of the contract is driven by the continued pressure on the supply of power to the national grid, the company said.