MEDIA STATEMENT

Latest Kusile and Medupi approved construction budgets remain R160.5 billion and R145 billion, with recorded expenditure of R155.5 billion and R131.1 billion, respectively and not R233.4 billion for Kusile or R176 billion for Medupi, as reported by *Daily Investor* and *MyBroadband*

Thursday, 10 September 2026: Eskom notes articles published by *Daily Investor* on 3 September 2026 and *MyBroadband* on 6 September 2026 regarding the construction costs, completion status and performance of Kusile and Medupi power stations. The articles present figures of R233.4 billion for Kusile and R176 billion for Medupi as though they represent the current project costs.

These figures do not reflect Eskom's approved construction budgets and do not represent expenditure recorded against either project.

Eskom was not approached for comment by these publications, and neither article identified the source or methodology used to derive the figures cited.

The accuracy of reported figures is critical to truthful, fair and responsible journalism.

Eskom does not dispute that both Kusile and Medupi experienced significant challenges during construction, including schedule delays, design and execution shortcomings, labour disruptions, contractual disputes, corruption-related matters and cost escalations. These challenges have been publicly acknowledged and extensively reported over many years. The delivery of Kusile and Medupi has underscored a global industry lesson: investing more time in planning and design upfront improves execution and outcomes for large-scale infrastructure projects. Eskom is applying these lessons to future developments.

For the benefit of the public, Eskom provides the following facts:

Reported cost estimates do not reflect Eskom's approved construction budgets or recorded expenditure

The approved construction budget for the Kusile Power Station project remains R160.5 billion, approved through Eskom's governance processes. As of 31 July 2026, cumulative capital expenditure incurred since inception amounted to approximately R155.5 billion.

The approved budget for the Medupi Power Station project remains R145 billion, approved through Eskom's governance processes. As of June 2026, cumulative capital expenditure incurred since inception amounted to approximately R131.1 billion.

Eskom has not approved, adopted or published project budgets of R233.4 billion for Kusile or R176 billion for Medupi. Any figures above Eskom's approved capital allocations should be clearly identified as external estimates or projections and should not be presented as Eskom-approved construction budgets or recorded project expenditure. Notably, this amount was previously reported by *MyBroadband*, a sister publication of *Daily Investor*, in an article dated 7 October 2025, where it was presented as an independent estimate originating from more than six years ago in 2019.

Eskom further reduced its financial exposure on the Kusile project through the successful resolution of the Stefanutti Stocks Basil Read Joint Venture (SSBR JV) contractual dispute in November 2025. The settlement, concluded through a formal Dispute Adjudication Board (DAB) process, reduced a R1.6 billion claim to R580 million, lowering Eskom's exposure by more than R1 billion and bringing outstanding contractual claims to closure. The media statement relating to this matter can be found here.

Characterising commercially operational power stations as "unfinished" is inaccurate and misleading

The characterisation of Kusile as "not finished" fails to distinguish between commercial operation and normal project close-out activities.

Kusile achieved full commercial operation on 29 September 2025 when Unit 6 entered commercial service, completing the station's six-unit, 4 800MW generation fleet. All six units are commercially operational and continue to supply reliable electricity to the national grid. Importantly, Kusile now ranks among Eskom's most cost-efficient power stations, recording the second-lowest cost of electricity generated across the Generation fleet.

Additionally, the approved project close-out date of 31 July 2028 relates to normal contractual and project close-out activities, including Defect Notification Periods (DNPs), making-good around the site and balance-of-plant works. These activities are standard for large infrastructure projects globally and do not indicate that the power station remains under construction. DNPs ensure contractors remain accountable for correcting defects before final acceptance of completed works. By the contractual close-out date, Kusile's sixth and final unit will have been in commercial operation for approximately two years and 10 months, demonstrating that the station is a fully operational power station rather than an incomplete construction project.

Similarly, the final unit of Medupi Power Station entered commercial operation on 31 July 2021, completing the station's six-unit generation fleet and the station's core generation construction programme. Furthermore, Medupi was designed to accommodate the future installation of Flue Gas Desulphurisation (FGD) technology, which is expected to reduce sulphur dioxide emissions. The future installation of FGD is an environmental compliance project and should not be confused with the completion status of the power station's generation capability.

Operational performance demonstrates the value of Kusile and Medupi

Kusile and Medupi collectively represent one of the largest infrastructure investments in South Africa's democratic history and contribute up to 9 600MW of generation capacity to the national grid. The contribution of Eskom's new-build fleet is reflected in FY2027 year-to-date Energy Availability Factors of approximately 90% for Kusile and 85% for Medupi.

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During FY2027 year-to-date, Kusile generated approximately 6.8TWh of electricity and contributed approximately 9.34% of Eskom Generation's total energy sent out. Over the same period, Kusile provided approximately 3 155MW of available capacity, representing approximately 9.84% of Eskom Generation's total available capacity. Medupi provided approximately 3 428MW of available capacity, representing 10.69% of total generation availability.

Together, Kusile and Medupi have played a significant role in strengthening generation reliability and energy security, supporting Eskom's generation recovery programme, which has enabled South Africa to experience more than 480 consecutive days without loadshedding.

Improved fleet reliability and availability, supported by the addition of Kusile Units 5 and 6, has strengthened generation capacity and reduced reliance on diesel-powered Open-Cycle Gas Turbines (OCGTs). Diesel expenditure declined from approximately R33 billion in FY2024 to R17.7 billion in FY2025, and further to approximately R7.1 billion in FY2026, representing a cumulative reduction of approximately R25.9 billion while enhancing energy security and improving Eskom's financial sustainability.

These outcomes demonstrate the growing contribution both stations are making to reliability, energy security and the long-term sustainability of South Africa's electricity supply.

New-build generation projects are governed by regulatory and legislative requirements

The suggestion that Eskom independently chose not to invest in additional generation capacity does not accurately reflect the legislative, regulatory and funding framework that applied at the time.

Under South Africa's electricity regulatory framework, the development of major new generation capacity was subject to government determinations, approvals and funding decisions. Eskom could therefore not independently proceed with large-scale new-build generation projects without the necessary government authorisations and funding approvals.

Kusile and Medupi were developed once the necessary approvals and enabling decisions had been made.

Kusile and Medupi are fully operational national assets, not projects under construction

Kusile and Medupi power stations are no longer future assets under construction. They are fully operational six-unit power stations making a substantial contribution to South Africa's electricity supply and energy security.

Kusile is the first power station in South Africa and on the African continent to incorporate Wet Flue Gas Desulphurisation (WFGD) technology as an integral part of its design. This technology reduces sulphur dioxide emissions and supports compliance with environmental requirements. The project represented the first construction in South Africa of a coal-fired power station of this magnitude, technical complexity and environmental specification. Its delivery required the implementation of technologies and systems that had not previously been deployed in the country's power generation sector.

Kusile’s contribution extends beyond electricity generation. The programme has created 39 711 jobs across the project and associated power delivery infrastructure, including more than 20 000 directly linked to the power station, while delivering lasting benefits to surrounding communities through investments in healthcare, education and social infrastructure. A flagship example is the Botleng Extension 6 Community Health Centre in Delmas, which provides 24-hour healthcare services to approximately 20 000 residents.

Similarly, Medupi features advanced supercritical technology that allows it to operate at higher temperatures, improving efficiency while reducing both coal and water consumption, an essential advantage in a water-scarce region. The station is designed to recycle and reuse all water involved in the power generation process on-site. It is also equipped with low nitrogen oxide (NO_x) burners to minimise NO_x emissions. True to its name, meaning “rain that soaks parched lands, bringing economic relief”, Medupi continues to play a vital role in supporting South Africa’s economic growth and development.

During Medupi construction, Eskom invested over R2.9 billion in socio-economic development initiatives aimed at addressing urgent needs within local communities. Since its inception, more than R145 million has been allocated to corporate social investment programmes, benefiting over 80 000 people, with a strong focus on rural development, education, and healthcare infrastructure.

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