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Core Energy (RF) Proprietary Limited and Erika Energy (RF) Proprietary Limited Notes to the combined financial statements

For the years ended December 31, 2014 and 2013

1. Nature of operations

The Operating Entities (the "Operating Entities"), as used in the combined financial statements, comprise the entities listed below and their solar energy systems:

- Core Energy (RF) Proprietary Limited ("Core")
- Erika Energy (RF) Proprietary Limited ("Erika")

The Operating Entities are not a single stand-alone legal entity, but are a combination of entities that are under common control of SunEdison Green Power Renewable Energy Southern Africa Proprietary Limited ("SEGP Renewable Energy Southern Africa (Pty) Ltd"). The primary assets of the Operating Entities consist of two solar parks (Soutpan Solar Park and Witkop Solar Park), located in South Africa, with a maximum contracted capacity of 58 Megawatts. Apart from having separate signed Power Purchase Agreements ("PPAs") with Eskom Holdings SOC Limited ("Eskom"), the majority supplier of electricity to the South African public, the Operating Entities have obtained the necessary licenses to perform their activities from the National Energy Regulator of South Africa ("NERSA"). Soutpan Solar Park achieved Commercial Operation Date ("COD") on 4 July 2014, while Witkop Solar Park achieved COD on 20 September 2014. The PPAs are valid for a period of 20 years from COD.

Basis of presentation

Financial information is required, as part of a listing, for certain entities within the SunEdison LLC Group ("the SunEdison Group") that are under common control. These entities, however, are not part of a legal sub-group whose financial statements are consolidated. As such, combined financial statements of the Operating Entities have been prepared as at and for the years ended, December 31, 2014 and 2013. The Operating Entities' combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the source of authoritative U.S. GAAP to be applied by non-governmental entities. During the years ended December 31, 2014 and 2013, there were no material transactions among the combined entities that required elimination. The Operating Entities' functional and presentation currency is the South African Rand ("ZAR").

2. Summary of significant accounting policies

Use of estimates

In preparing the combined financial statements, and in conformity with U.S. GAAP, management uses estimates and assumptions that may affect reported amounts and disclosures. Estimates and assumptions are used when determining the fair value of financial instruments, useful lives of assets, accounting for asset retirement obligations and deferred taxes, as well as identifying contingencies. These estimates and assumptions are based on current facts, historical experience, and various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue, income, costs and expenses that are not readily apparent from other sources. Actual results could differ from these estimates.

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