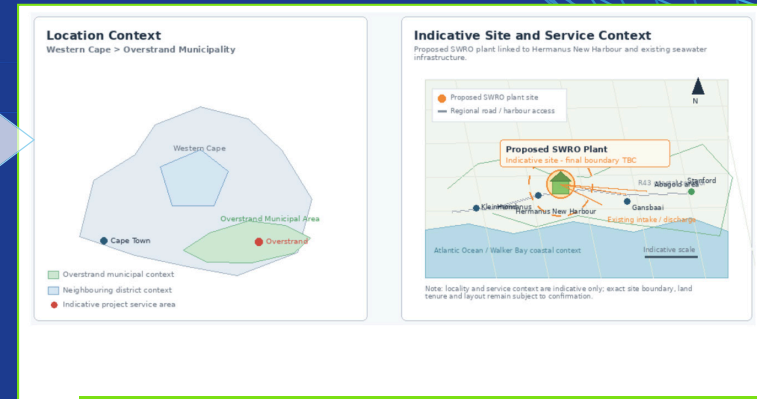


OVERSTRAND / HERMANUS DESALINATION PLANT



MAP OF THE PROJECT



PROJECT SUMMARY

The proposed Overstrand / Hermanus Desalination Plant is a strategic bulk water augmentation project intended to diversify Overstrand Municipality's water sources and improve long-term climate resilience. The project focuses on a seawater reverse osmosis (SWRO) plant at the Hermanus New Harbour, near Abagold's existing seawater intake and discharge infrastructure. The 2026 project update identifies seawater desalination as the most viable, resilient, and sustainable option for delivering 5 ML/day, with the capacity to scale to 10 ML/day. The project benefits from the potential use of Abagold's existing marine infrastructure, which could reduce the need for the Overstrand Municipality to construct separate intake and brine disposal systems.

The technical work indicates that desalinated water would be produced through pre-treatment followed by SWRO, stabilisation and disinfection. The project responds to a required water augmentation need by 2028, while the Hermanus wellfield augmentation continues as a short-term intervention.

The proposed Overstrand Desalination Plant is linked to the Hermanus New Harbour precinct, near the existing Abagold seawater intake and discharge infrastructure. The map below provides an indicative location context only. The exact site boundary, land tenure arrangements and final facility layout remain subject to DPWI lease finalisation, feasibility studies, technical approvals and procurement processes.

PROJECT STATUS



Bulk water augmentation options were investigated in 2018, with seawater desalination identified as the most feasible option. The options were revisited in 2026, and seawater desalination remained the preferred long-term option for a reliable, climate-independent source.

The current project status, as presented in April 2026, is that a multi-disciplinary project team has been appointed, a project programme is in place, needs analysis is in progress, and feasibility work and procurement are expected to follow.

The key project dependency is land tenure. A long-term DPWI lease for the desalination plant site at Hermanus New Harbour is required, and Abagold's linked lease arrangements are also material because the project depends on access to existing seawater intake and discharge infrastructure. DPWI land tenure remains a material project risk until long-term leases are secured.

FINANCIAL NEEDS



Approximate value: R350 million.

The supporting documents reviewed do not provide a final confirmed capital cost, so this amount should be treated as a pipeline estimate until the feasibility and transaction work confirms the final scope, cost and affordability position. Funding is required for the next stages of project preparation and implementation, including final needs analysis, feasibility studies, lease finalisation, technical design, environmental and regulatory work, transaction and procurement support, construction of the SWRO plant, integration with Abagold's marine infrastructure, and commissioning. Energy cost will be a key financial driver because SWRO is energy intensive. The energy options assessment indicates that solar PV is the most viable renewable energy supplement, while battery storage and wave or tidal energy are not preferred at this stage due to cost, maturity, and site constraints.

PUBLIC/ PRIVATE SECTOR OPPORTUNITY



The project presents a clear public-private opportunity because it combines a municipal bulk water security need with existing private-sector marine infrastructure and the potential for private participation in development, finance, construction, operation and maintenance.

The public-sector role could include:

- Municipal project sponsorship, approvals and long-term water services planning.
- DPWI lease facilitation for the Hermanus New Harbour site and linked Abagold arrangements.
- Regulatory, environmental and water quality oversight.
- Affordability assessment, tariff implications and service-level governance.
- Alignment with the Western Cape Water Resilience Strategy 2025-2035.

Private-sector participation could include:

- PPP or BOT-style development, finance, construction and operation of the SWRO plant.
- Use of Abagold's existing seawater intake and discharge infrastructure.
- Specialist desalination technology supply, process design and O&M services.
- Solar PV energy supplementation and grid optimisation.
- Long-term operational performance, maintenance and water quality compliance support.

The catalytic opportunity is the creation of a drought-resilient, scalable desalination model that can strengthen Overstrand's water security while demonstrating how municipal water projects can be structured around existing private-sector infrastructure.

OVERSTRAND / HERMANUS DESALINATION PLANT

KEY PARTIES



Key parties include:

- Overstrand Municipality - project owner and municipal water services authority.
- Abagold (Pty) Ltd - owner/operator of existing seawater intake and discharge infrastructure relevant to the project.
- Department of Public Works and Infrastructure - landowner and lease authority for the Hermanus New Harbour site and Abagold lease arrangements.
- Western Cape Government / Department of Local Government - coordination support through JDMA and infrastructure pipeline processes.
- Zutari and other technical advisors - feasibility, water quality, process and engineering support.
- Veolia South Africa - current long-term operator of Overstrand water and wastewater treatment works.
- Potential PPP / private-sector partner - finance, delivery, technology, operations and maintenance.
- Relevant environmental, water services and marine regulatory stakeholders - approvals, compliance and monitoring.

Recent engagements also indicate that DPWI officials requested inclusion in future desalination project meetings, which should help sustain momentum on the lease and project-enabling issues.

TIMELINE

The project is currently at an early preparation stage, with feasibility, land tenure, procurement and funding arrangements still to be confirmed. The timeline below is therefore indicative and should be read as subject to DPWI lease finalisation, technical studies, environmental and regulatory approvals, and confirmation of the preferred delivery model.

PHASE	INDICATIVE TIMELINE	KEY ACTIVITIES
Needs analysis / project preparation	2026	Current preparation stage; water augmentation need and project scope being defined.
Site confirmation, land tenure and feasibility	2026/2027	Subject to DPWI lease finalisation, feasibility studies and confirmation of use of existing seawater infrastructure.
Funding model and procurement preparation	2027	Delivery model, PPP/procurement route and funding requirements to be confirmed.
Construction / implementation	2027/2028	Dependent on approvals, procurement outcome, funding and land tenure readiness.
Commissioning / operationalisation	2028	Targeted to respond to Overstrand's future water augmentation requirement.