



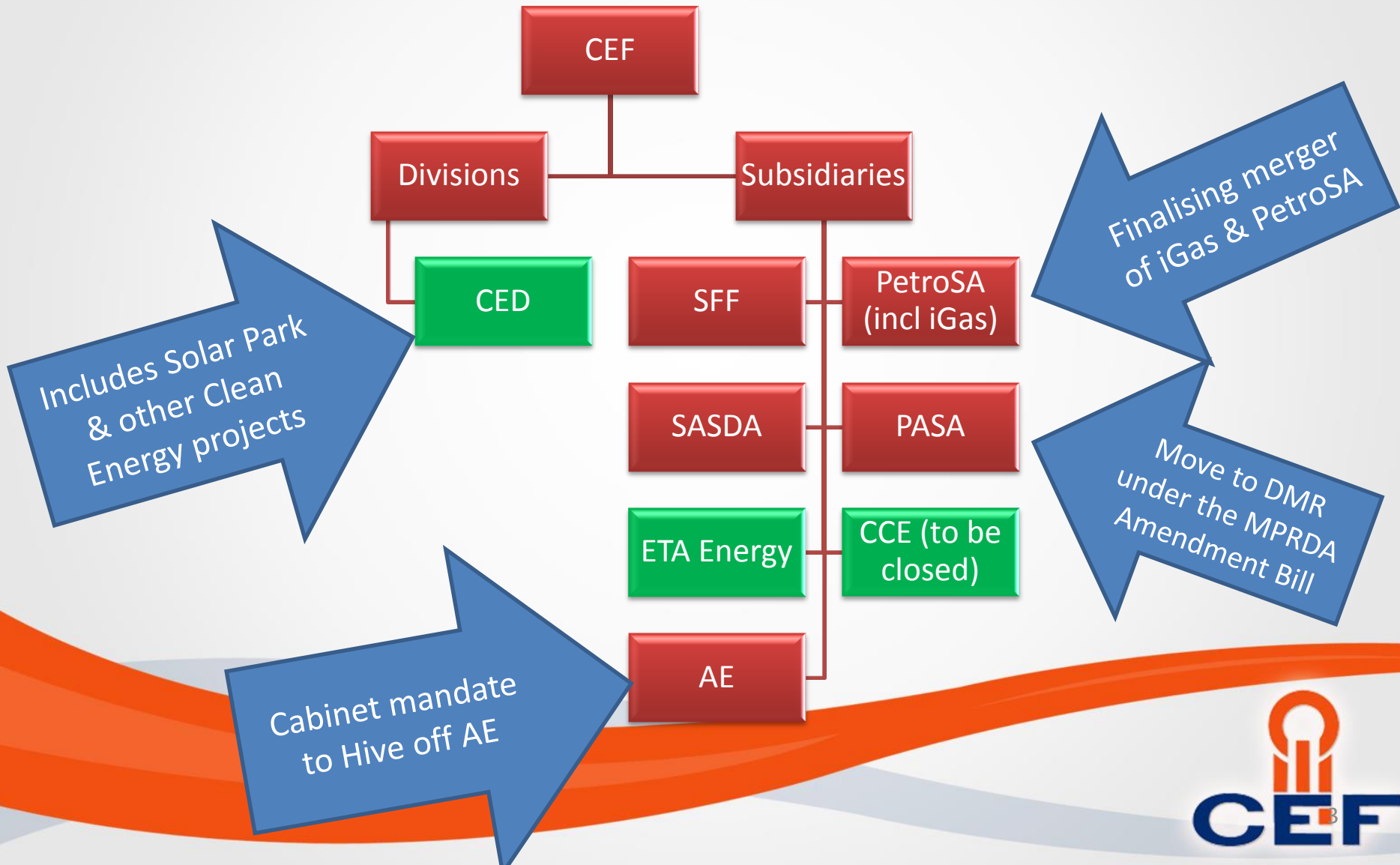
Select Committee Presentation

4 June 2013

Why does CEF exist?

MANDATE to finance and promote the acquisition, exploitation, manufacture and marketing of energy				
STRATEGIC INTENT to provide energy resources for national energy security whilst minimising environmental impact and in pursuit of the government policies				
VISION to be the leader in Africa in Energy			MISSION CEF will actively pursue commercially viable opportunities in oil, gas, coal and renewable energy	
Objective 1 Manage Projects	Objective 2 Deliver SHEQ targets	Objective 3 Manage Finances	Objective 4 Manage Human Capital	Objective 5 Group oversight

Group Structure as at April 2013



CEF Group Activities

Entity

1. CEF
2. CED
3. PetroSA
4. SFF
5. PASA
6. AEMFC
7. SASDA

Arena

1. Holding company
2. Renewables
3. Oil and gas, NOC
4. Strategic oil
5. Licensing
6. Mining, coal
7. Supplier development

Overview

- CEF has reviewed strategic and mandate issues at a number of strategic workshops
- The strategic intent for the CEF Group as well as an assessment of critical supporting pillars were defined.

CEF has a single primary purpose:

To contribute to national security of energy supply

Overview (continued)

- This led to a review and rationalisation of the Group structure, the CEF organisational structure and the need to strengthen the holding company function of CEF
- The strategic objectives of the Group were redefined and now provide a platform for activities and investments over the next few years for all entities that are part of the Group

CEF Group objectives

- **To contribute to national security of energy supply**
- **To ensure SHEQ is a priority for the Group**
- **To build financial sustainability**
- **To build and maintain appropriate human capital**
- **To ensure effective Group oversight and coordinated planning**

To contribute to national security of energy supply

- By establishing innovative means to effect security of supply on an on-going basis
- Through providing target volumes and quality of defined energy products
- Through maintaining and expanding identified infrastructure
- By comply with and responding to strategic stock requirements
- Through licensing and conducting exploration activities appropriate to the mandate of specific subsidiaries
- By pursuing new sources of energy and energy efficiency
- By actively intervening and interacting with Government on matters relating to security of supply

To ensure SHEQ is a priority for the Group

- Developing and maintaining a Group culture of compliance with SHEQ
- Ensuring a safe and healthy working environment for all employees
- Meeting sustainability, environmental and climate change obligations and responsibilities
- To produce a benchmark Group Sustainability report during the 2013-14 financial year from which a pragmatic Sustainability strategy can be developed and implemented across the Group

To build financial sustainability

- Effective Group financial management, solvency and liquidity through proactive oversight of activities that could impact on the financial position of the Group
- By developing and implementing a Group Project Portfolio and Financing policy that will include the pre-assessment of projects to ensure that they are feasible, meet mandate requirements and can be funded
- By managing the Group finances so as to ensure Group financial sustainability

To build and maintain appropriate human capital

- Implementing a HC strategy and plan that supports the Group objectives
- By aligning Group strategic objectives with skills requirements
- Through continuing training and education of staff
- By employing and retaining high integrity and committed individuals whilst ensuring transformation targets are achieved
- Through on-going succession planning
- By developing and implementing an appropriate change management strategy

To ensure effective Group oversight and coordinated planning

- Ensure that appropriate and holistic strategic Group planning is done and is effective in supporting the mandate of the entire Group.
- By reviewing Group governance structures to improve compliance with applicable legislation and regulations

Approach for 2013/14

	Stabilise	Grow
<p>BASICS (housekeeping)</p>	<ul style="list-style-type: none"> • Cost containment • Improve efficiencies • Filling up of EXCO vacancies • Establish the CEF CEO Forum • Resolve Darling and CCE • Attend to SASDA and OPC • Hive-off AEMFC and iGas 	
<p>FOSSIL ENERGY (strengthen our core business)</p>	<ul style="list-style-type: none"> • SFF • PetroSA • AEMFC • PASA • SASDA <p style="text-align: center;">Portfolio Management</p>	<ul style="list-style-type: none"> • FO / Ikhwezi Feedstock • Project Umthombo • Project Irene • Upstream / Sabre • T-Project
<p>RENEWABLES (new energy / sources of income)</p>	<ul style="list-style-type: none"> • Solar Water Heaters • Solar Park Feasibility • TFST Project • DoE IPP Lobbying • Renewables / Clean Energy • Projects Pipeline • Cooperation Agreements 	<p>NEXT BIG THING ?????????? FUTURE ENERGY</p>

	BUDGET 2013/2014 R'000	BUDGET 2012/2013 R'000	ESTIMATED ACTUALS 2012/2013 R'000
Revenue	21 840 256	18 128 448	19 073 681
Cost of Sales	(20 029 401)	(9 312 828)	(16 124 110)
Other income	(865)	336 167	74 250
Gross profit	1 809 990	9 151 787	3 023 820
	590 484	418 687	702 973
Finance costs	(168 769)	(266 424)	(311 638)
Interest received	759 253	685 111	1 014 611
Operating Costs	(2 528 089)	(8 462 900)	(2 456 474)
Loss/earnings from operation	(127 615)	1 107 574	1 270 319
Dividends Received/(paid)	(40 388)	-	-
Income from associates	-		
Income from equity accounted investments			
Minority interest	-		
Profit before tax	(168 003)	1 107 574	1 270 319
Taxation	(2 729)		(32 579)
(Loss)/Profit	(170 732)	1 107 574	1 237 740

	ESTIMATED ACTUALS	BUDGET
	2012/2013	2013/2014
	R'000	R'000
ASSETS		
Non-current assets	23 350 397	27 859 991
Property Plant & Equipment	17 687 831	21 146 261
Intangibles	24 446	542 515
Assets pending determination	45 571	187 828
Deferred tax	17	17
Investments in subsidiaries	-	
Commercial investments	113	113
Investments in Associates	767 775	466 463
Other financial assets	-	-
Investments property	15	1
Finance lease receivable		
Escrow account - Abandonment	1 722 795	2 414 959
Strategic inventory	3 101 834	3 101 834
Current assets	19 547 286	15 170 962
Inventory	3 514 758	2 188 448
Trade and other receivables	3 757 666	3 575 601
Other Financial assets	-	163 008
Current tax receivable	161 107	-
Finance lease receivable		
Restricted cash	1 824 260	
Cash & cash equivalents	10 289 495	9 243 905
Assets of disposal groups	31	31
TOTAL ASSETS	42 897 714	43 030 984

	ESTIMATED ACTUALS	BUDGET
	2012/2013	2013/2014
	R'000	R'000
EQUITY AND LIABILITIES		
	27 929 477	27 514 556
Share Capital	-	-
Reserves	172 787	71 681
Accumulated Profit/(Loss)	27 756 690	27 442 875
Non-controlling interest	-	-
Non- current liabilities	11 104 080	12 607 402
Other financial liabilities	18	18
External loans	1 882 760	2 710 627
Deferred income		
Deferred tax	1 774 703	1 774 702
Provisions	7 446 599	8 122 055
Current liabilities	3 804 026	2 848 895
Other financial liabilities		
Current tax payable	15 089	-
Unearned finance income	919	919
Trade and other payables	3 692 964	2 745 752
Deferred income	12 796	12 795
Provisions	81 368	89 429
Shareholders for dividends		
Bank overdraft		
Third party fund		
Retention	890	-
Liabilities of disposal groups	60 130	60 130
TOTAL EQUITY AND LIABILITIES	42 897 714	43 030 984

Strategic Risks

- Human resources – skills
- Project risks (including project selection risk)
- Financial sustainability risk
- Leadership risk
- Inefficient systems and processes
- Oversight risk
- Reputational risk

Conclusion

- CEF is in the process of restructuring for growth
- Energy infrastructure projects and energy supply initiatives underpin the NDP, and CEF plays an important role in this arena
- Challenges remain in the immediate future and funding of large projects will require creative thinking
- CEF will be taking greater control of the Group as the holding company through board sub-committees and executive management actions
- Projects proposed by subsidiaries, and requiring CEF funding, will be more robustly scrutinised by CEF specifically for their impact on group sustainability
- A process is underway to identify new projects in the renewable and clean energy space
- Staff vacancies are being urgently filled to provide the skills needed for the new activities

CORPORATE PLANS 2013-14 FOR CED AND SUBSIDIARIES

Sequence

- CED (A division of CEF, and including ETA)
- PetroSA
- SFF
- PASA
- AE
- SASDA

CED

CED overview

- Clean Energy Division (CED) is the operating arm of CEF that is responsible for developing and implementing renewable and clean energy projects
- CED is undergoing a restructuring in terms of its project portfolio
- The Solar Park is one important project within CED, the SWH rollout being done by ETA falls within the responsibility of CED

Objectives

- **Growth**
 - **Solar Park Feasibility**
 - Finalise technical, financial and economic feasibility study of the Northern Cape Solar Park
 - Commence with EIA process for the Solar Park
 - **Solar Water Heaters (ETA Energy)**
 - Massive roll-out of low and high income house SWHs
 - Sign Co-operation agreement with the Department of Housing
 - Commence with the second phase of the SWH rollout Project
 - **Energy efficiency for public facilities:**
 - Sign Co-operation agreements with the Department of Public Works and Municipalities for implementing energy efficiency in their buildings

Objectives

- **Growth**
 - **Renewable Energy Generation**
 - Grow the RE generation portfolio
 - Bid in the 3rd round of the RE IPP Programme
 - **PV and Wind technology equipment manufacturing**
 - Final investment decision on a PV manufacturing plant
 - Explore opportunities in wind turbines manufacturing
 - **Synthetic fuel**
 - Feasibility study on the T-Project
 - Investigate opportunities in the Biofuels industry

Objectives

- **Cost containment**
 - **Clean Cape Energy, 8.8MW Biomass Project**
 - Dispose the project equipment
 - Wind down the company
 - **Darling Wind Project, 5MW Wind Project**
 - Renegotiate the off-take electricity tariff with the City of Cape Town
 - Improve the efficiency of the wind farm

Objectives

- **Social projects**

- **Basa Njengo Magogo(BNM)**: Roll out BNM in Gauteng townships – CEF is expanding this project but without partners
- **Solar Powered Lights**: Distribute Solar Powered lights to rural schools in Eastern Cape, Kwazulu Natal and Limpopo

PETROSA



As NOC, we have developed a corporate plan that supports government policy, including the NDP

Addressed by PetroSA plans

National Development Plan states

Short term:

- ❖ Develop offshore gas
- ❖ Do exploratory drilling for economically recoverable shale gas reserves.
- ❖ Promote investment in LNG landing infrastructure
- ❖ Introduce clean fuels

Medium term:

- ❖ LNG infrastructure will be in place to power first CCGT's
- ❖ A decision will be made on whether RSA to continue with imports or invest in new refinery





PetroSA

The plan is aligned with the shareholder

NDP:

Drive for strong growth, Job creation, greener economy
Infrastructure development,
Building a capable state.

CEF strategic intent:

"To provide energy resources for national energy security ..minimising environmental impact...in pursuit of government policies"

DOE mandate:

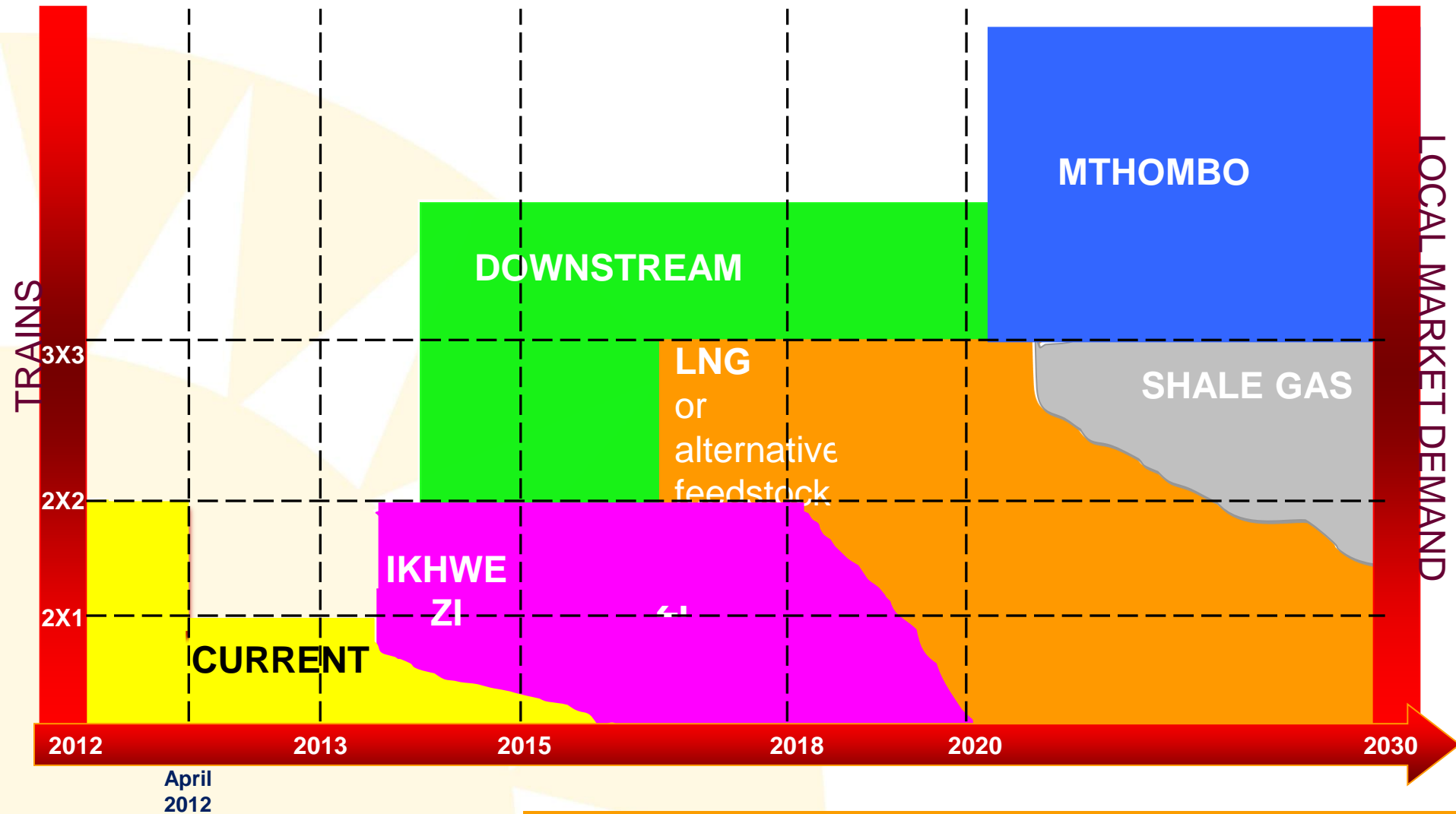
to ensure secure and sustainable provision of energy for socio-economic development.

Vision 2020 focuses on sustainability, security of supply, as well as transformation.



PetroSA

Vision 2020: Key Building Blocks



April
2012



PetroSA

Ikhwezi Project: Drilling is progressing

The rig will drill 5 wells

**Drilling Campaign duration; 5 wells
(2-3years)**

**The project costs more than R10
billion**

It will extend production till 2018/19

The project is progressing well.





PetroSA

GROWTH: *Upstream*

Ghana (Sabre):

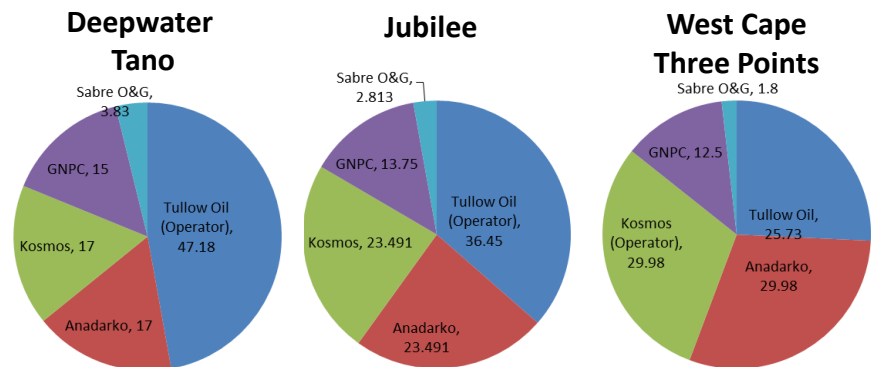
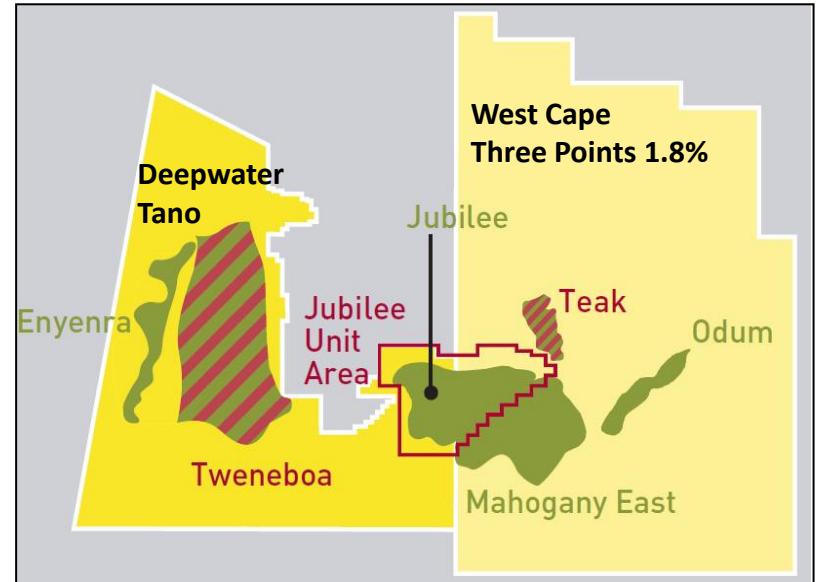
- PetroSA will consolidate the recent acquisition.
- Jubilee is currently producing 110,000 bbl/day
- Further development opportunities exist to increase production.
- The asset is profitable

Equatorial Guinea (Block Q):

- Finalise farming out a 55% equity stake in block to minimise risk.

Venezuela Project:

- Funding options are being explored.
- This could lead to an asset acquisition by 2016.





PetroSA

Conclusions

The Corporate Plan 2013-17 supports the government's development agenda.

It also supports sustainability and growth:

Sustainability focus:

- *Continued production at GTL Refinery*
- *Ikhwezi should start production during 2nd half 2013*
- *LNG project targets first imports by 2017.*
- *Increased focus on cost control and efficiency improvements.*

Growth focus includes:

- ❖ *Mthombo (Complete feasibility study in 2013/14)*
- ❖ *Targeted pursuit of upstream opportunities*

We have good governance, project execution and human capital management systems in place

But, a tough operating environment is envisioned, but PetroSA is ready for the challenge!

SFF

Purpose of SFF

- TO ENSURE SECURITY OF SUPPLY FOR SOUTH AFRICA THROUGH:
 - **Management of strategic stocks and storage facilities and assets:** To manage strategic stocks and storage facilities and assets on behalf of Government
 - **Commercial Storage:** To store and manage third party crude oil on a commercial basis in order to fund its mandate.
 - **Oil Pollution Control:** To manage the oil pollution prevention and control activities at the Saldanha Bay, Milnerton and Ogies facilities.
 - **Environmental Management:** Management of water levels in oil containers to ensure non-contamination of ground water levels.

Operational Functions

- Storing of Strategic Crude Oil Stocks on behalf of Government
- Managing three facilities: Saldanha, Milnerton & Ogies
- Managing ChevronSA crude imports via the Port of Saldanha
- Operating the ChevronSA Pump Station
- Storing Crude on behalf of third Parties
- Handling tankers on behalf of third Parties
- Providing oil pollution control services
- Providing environmental services related to mining

Growth & Challenges

- Stock holding limited to one location, and proximity to refining capability is limited
- Funding
- Changes in Legislation
- World wide increasing storage requirements
- Fluctuating crude oil markets
- High cargo dues charges in Saldanha Bay vs. lower or no charges in international ports
- Adverse weather berthing during winter
- Night time berthing restrictions
- Encroaching human habitation
- Environmental Protection

ASSETS : TERMINALS

- **Saldanha**
 - Manages strategic crude oil stock on behalf of Shareholder
 - Rents unused storage capacity to third parties
 - Total capacity of 6 tanks, each of 7.5 MMBbls
- **Milnerton**
 - 39 tanks of 200 000 Bbls each.
 - Only two tanks currently in use for crude storage
- **Ogies**
 - Environmental services in the area through water level monitoring in the mines

Major Projects

CURRENT

- Custody transfer metering system ensuring accurate measurement of oil transfers between tanks and vessels,
- Perimeter detection and CCTV security system to comply to National Key Point Standards (recently completed)
- Office refurbishment at Milnerton Tank Farm
- Procurement of Oil Pollution control vessel

PLANNING

- Refurbishment of tanks at the Milnerton Tank Farm
- Upgrading of Security system to National Key Point Standards
- Sourcing of land for additional strategic stock tanks
- Development of additional tanks in Saldanha Bay and elsewhere
- Investments Projects

PASA



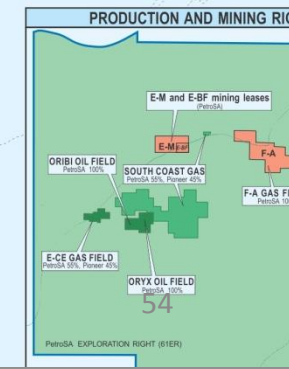
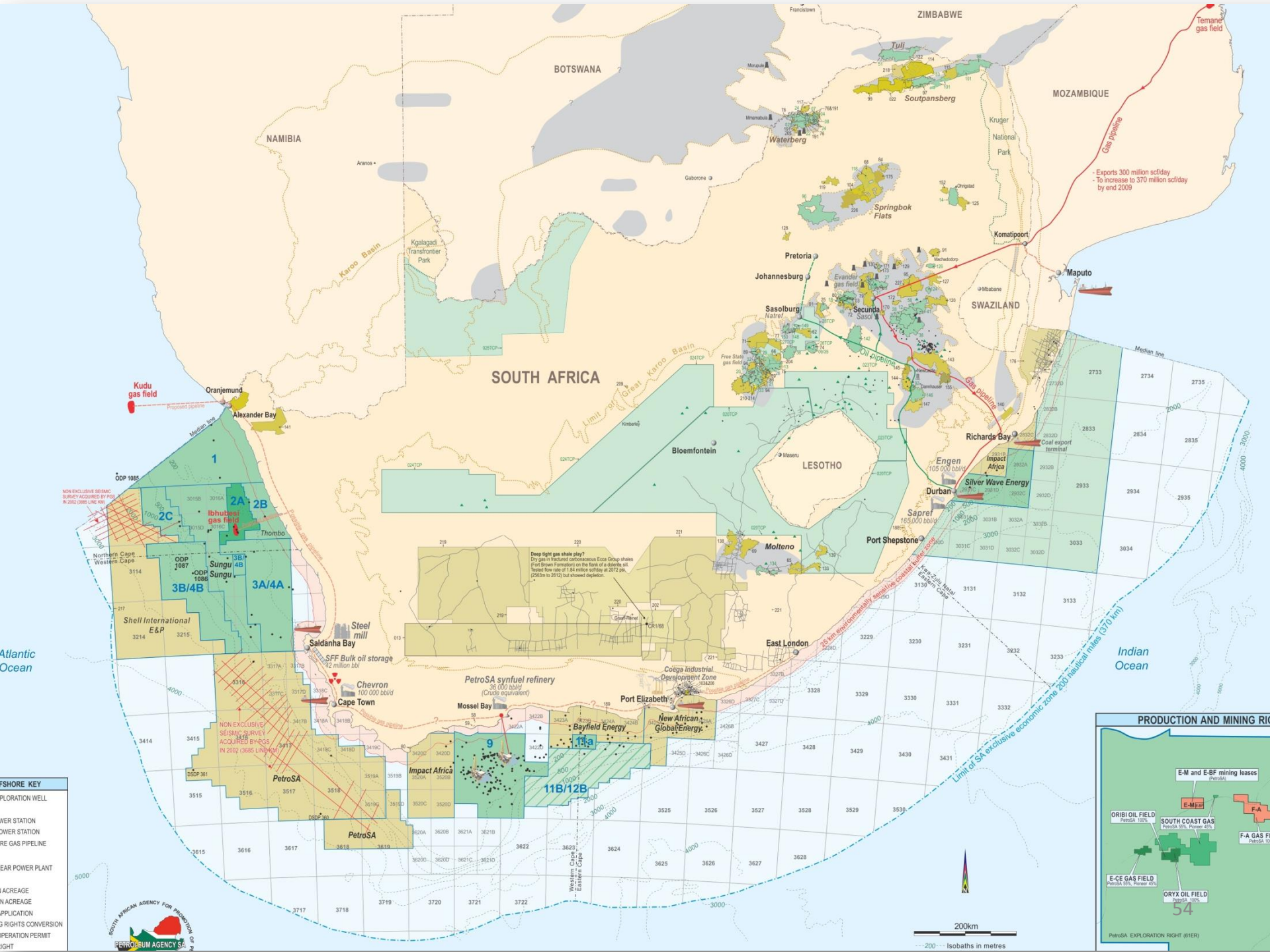
Strategic Role of the Petroleum Agency

The strategic role and mandate of the Petroleum Agency is to contribute to the energy resources of the country

by

promoting and regulating the exploration and production of the country's natural oil and gas resources.

The Functions are as set out in s.71 of the MPRDA.



- SYMBOL KEY**
- EXPLORATION WELL
 - WATER STATION
 - POWER STATION
 - PIPE GAS PIPELINE
 - SEAR POWER PLANT
 - LAND ACREAGE
 - MIN ACREAGE
 - APPLICATION
 - RIGHTS CONVERSION
 - OPERATION PERMIT
 - RIGHT



SOUTH AFRICA

Exports 300 million scf/day
To increase to 370 million scf/day
by end 2009

NON EXCLUSIVE SEISMIC SURVEY ACQUIRED BY POG IN 2002 (1985 LINE AREA)

Deep light gas shale play?
Dry gas in fractured carbonaceous Ecca Group shales (Fort Brown Formations) on the flank of a dome sill. Reserves flow rate of 1.44 million scf/day at 2072 psi (2563m to 2612) but showed depletion.

NON EXCLUSIVE SEISMIC SURVEY ACQUIRED BY POG IN 2002 (1985 LINE AREA)

25 km environmental sensitive coastal buffer zone

Limit of SA exclusive economic zone 200 nautical miles (370 km)

Kudu gas field

Oranjemund
Alexander Bay

1
2A
2B
2C
Ibhubesi gas field

Thombo

Sungu 3B
Sungu 4B
3B/4B
3A/4A

Shell International E&P

ODP 1085
ODP 1087
ODP 1086

Steel mill
Saldanha Bay

SFF Bulk oil storage
22 million bbl

Chevron
100 000 bbl/d
Cape Town

PetroSA

Impact Africa

PetroSA

PetroSA

PetroSA

PetroSA

PetroSA

PetroSA

PetroSA

PetroSA syntfuel refinery
36 000 bbl/d
(Crude equivalent)

Mossel Bay

Bayfield Energy

11B/12B

13A

Port Elizabeth

New African
GlobeEnergy

Port Elizabeth

Port Elizabeth

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PETROLEUM EXPLORATION AND PRODUCTION ACTIVITIES IN SOUTH AFRICA

Mineral and Petroleum Resources Development Act, No 28 of 2002.

Role of Petroleum Agency SA
Under section 71 of the above Act, Petroleum Agency SA has been appointed the designated Agency, with the following responsibilities:

- Promotion and regulation of exploration and production on and offshore
- Receive applications, evaluate and recommend the award of permits and rights
- Review, evaluate and recommend approval of EMPs
- Monitor compliance of licence conditions
- Maintain and add value to the national petroleum exploration and production database
- Acquire reconnaissance data
- Collect all prescribed fees

Permits and rights
The above Act defines the following permits and rights:

- Reconnaissance Permit - 12 months, non-exclusive
- Technical Cooperation Permit - 12 months, exclusive desk-top study, exclusive right to apply for Exploration Right
- Exploration Right - exclusive, transferable, 3 years, renewable for a maximum of 3 periods of 2 years each.
- Production Right - exclusive, transferable, 30 years, renewable.

KUDU GAS FIELD
(Gazprom/Namcor 54%-JVA, Tullow Oil 31%-Operator, ITOCHU 15%)
Discovered in 1974 by a Chevron / Regent / Soekor consortium. The reservoir comprises Barreman (Early Cretaceous) aeolian sandstones with average porosities up to 22 % at 4400 m.

CAIRN INDIA (60%) PETROSA (40%) (ER)

FOREST INT (Operator) (53.2%) PETROSA (24%) ANSCHUTZ (22.8%) Production Right

IBHUBESI GAS FIELD
Being appraised for development by Forest with 3D seismic and appraisal wells. This Albian (Early Cretaceous) fluvial play (part of the Orange Delta) extends northwards into Block 1 and up-dip gas resources are estimated as multi Tcf for the combined area of Blocks 1 and 2A.

BHP BILLITON (Operator) (90%) GLOBAL OFFSHORE OIL (10%)
Evaluating deep water oil potential.

ONSHORE / OFFSHORE KEY

- PETROLEUM EXPLORATION WELL
- OK SHOWS
- COAL FIRED POWER STATION
- GAS TURBINE POWER STATION
- POSSIBLE FUTURE GAS PIPELINE
- SEISMIC LINES
- KOEBERG NUCLEAR POWER PLANT
- COAL FIELD
- ONSHORE OPEN ACRESAGE
- OFFSHORE OPEN ACRESAGE
- PRIOR APPLICATION AREAS
- AREAS UNDER APPLICATION
- AREAS AWAITING RIGHTS CONVERSION
- TECHNICAL COOPERATION PERMIT
- EXPLORATION RIGHT
- PRODUCTION RIGHT
- MINING LEASE (OIL) - Block 9
- MINING LEASE (GAS) - Block 9

ANADARKO (Operator) (80%) PETROSA (20%) (ER)

E-E GAS FIELD (PetroSA 100%)
Originally the Sable oil field, gas is now being produced from this Aptian age deep marine channel sandstone reservoir to supplement the feed to the Mossel Bay plant.

ORIBI / ORYX OIL FIELD (PetroSA 100%)
In 2007 (4 months) average combined production from Oribi and Oryx was 20000 BOPD - from submarine fan deposits of Albian (Early Cretaceous) age. Production continues at about 4000 BOPD.

PETROSA - BLOCK 9
(Ongoing exploration and production together with appraisal and development of oil and gas fields.

CANADIAN NATURAL RESOURCES - BLOCK 11B/12B
Acquired Seabed logging survey in 2009 and is evaluating deep water potential for oil and gas.

PETROSA - BLOCK 11a
Early Cretaceous shallow marine gas fields currently under appraisal.

F-A GAS FIELD AND SATELLITES
In 2007 these fields produced at an average daily rate of 158 MMscf gas and 4300 bbl condensate. The reservoirs comprise Early Cretaceous shallow marine sandstones at the top of the rift succession. Separate 91km pipelines convey gas and condensate to the PetroSA GTL synfuels refinery at Mossel Bay where petrol, diesel, kerosene, etc are produced.

BOTSWANA COALBED METHANE (CBM) EXPLORATION
Large Potential Resource

PANDE & TEMANE GAS FIELDS
Combined reserves in excess of 5.5 Tcf. Now operated by Sasol/ENH partnership.

- Exports 300 million scfd/day
- To increase to 370 million scfd/day by end 2009

Eskom / Majuba Underground Coal Gasification Project
First pilot production by 2012
233 million cubic metres per day (approx)

ONSHORE APPLICATIONS (Under Evaluation)

ONSHORE RIGHTS	ONSHORE RIGHTS
1181R - Misa	1401R - Misa
1246R - Misa	1402R - Misa
1247R - Misa	1403R - Misa
1248R - Misa	1404R - Misa
1249R - Misa	1405R - Misa
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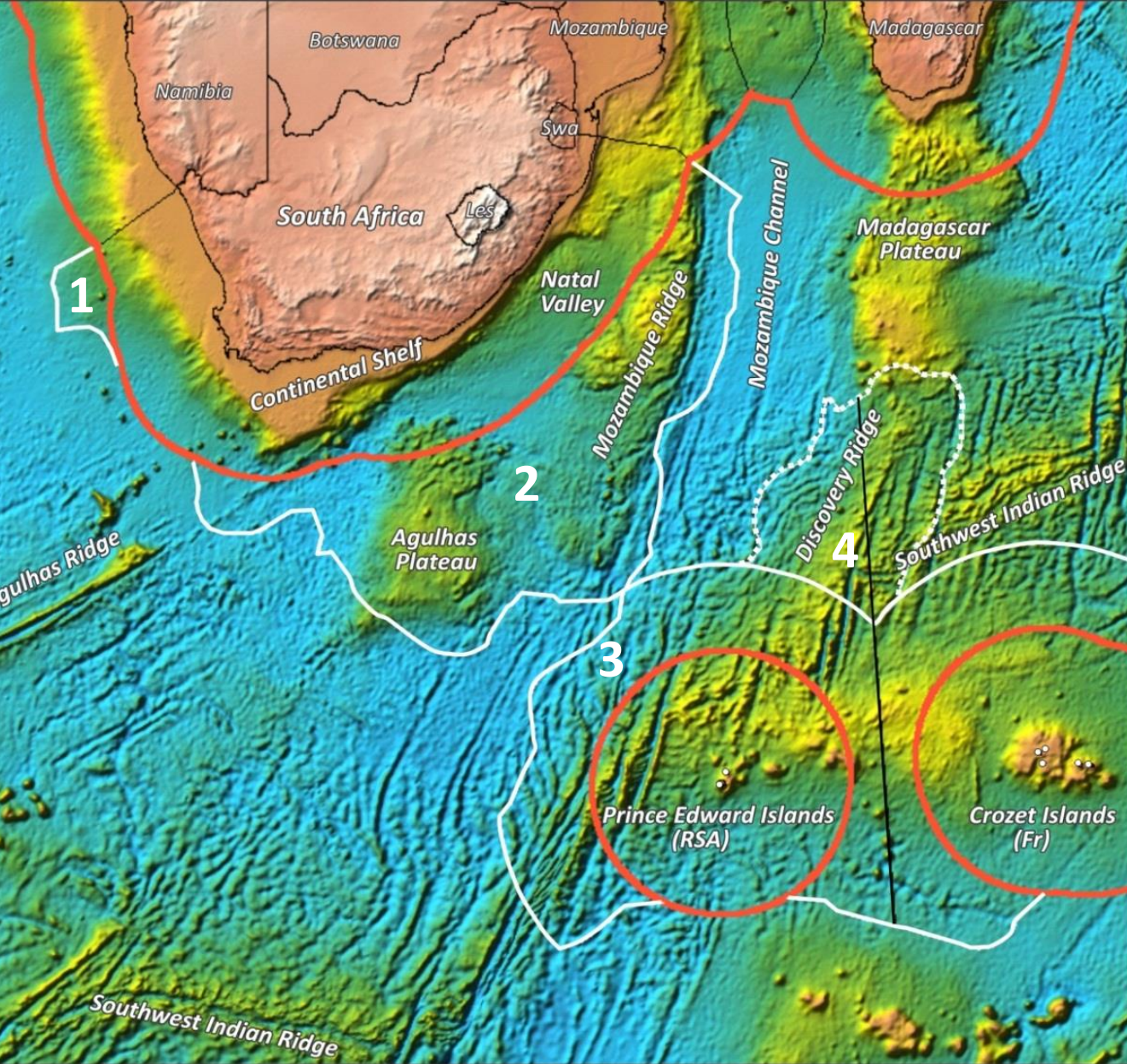
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RSA Existing Territory

RSA Mainland (land)

1,220,000 km²

EEZ of RSA and Islands (sea)

1,540,000 km²

Extended Continental Shelf

1. West Coast 45,000 km²

2. East & South 1,075,000 km²

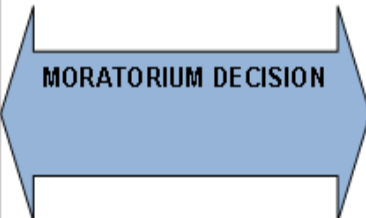

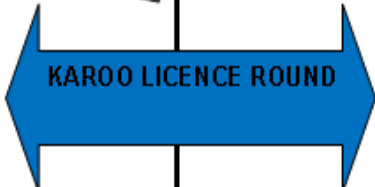


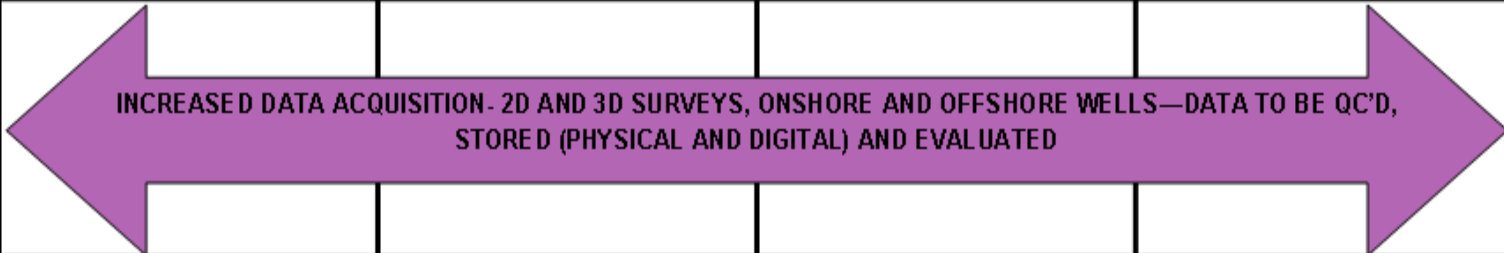
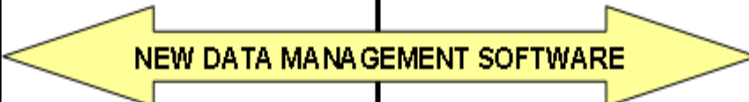
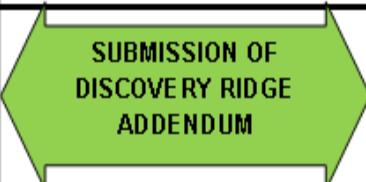

3. Prince Ed Is. 560,000 km²

4. Discovery Ridge 190,000 km²

TOTAL AREA OF CLAIM

1,870,000 km²

PETROLEUM AGENCY SA 2013_14 -2016_17 MAJOR ASSUMPTIONS

2012_2013	2013_2014	2014_2015	2015_2016	2016_2017
 <p>MORATORIUM DECISION</p>	 <p>OUTCOME ASSUMED IN FAVOUR OF E&P IN THE KAROO (WITH FRACTURING)</p>  <p>KAROO LICENCE ROUND</p>  <p>FRACKING COMMENCES</p>  <p>ADDITIONAL STORAGE FOR CORE</p>			
	 <p>INCREASED DATA ACQUISITION - 2D AND 3D SURVEYS, ONSHORE AND OFFSHORE WELLS—DATA TO BE QC'D, STORED (PHYSICAL AND DIGITAL) AND EVALUATED</p>			
	 <p>NEW DATA MANAGEMENT SOFTWARE</p>			
 <p>SUBMISSION OF DISCOVERY RIDGE ADDENDUM</p>	 <p>EXTENDED CONTINENTAL SHELF CLAIM DEFENCE</p>			

Current challenges



1. Future funding
2. MPRDA draft amendment bill
3. Capacity
4. Location (Energy or Mineral Resources)

AFRICAN EXPLORATION



Long /Medium Term Strategic Objectives

Objectives inform:

Required funding for growth

Acquire and train own staff

Fatality free shifts

Profitability and positive cash flow management

Exploration and Concept studies in beneficiable prospects

Short Term Objectives





Short Term Objectives 2013/2014

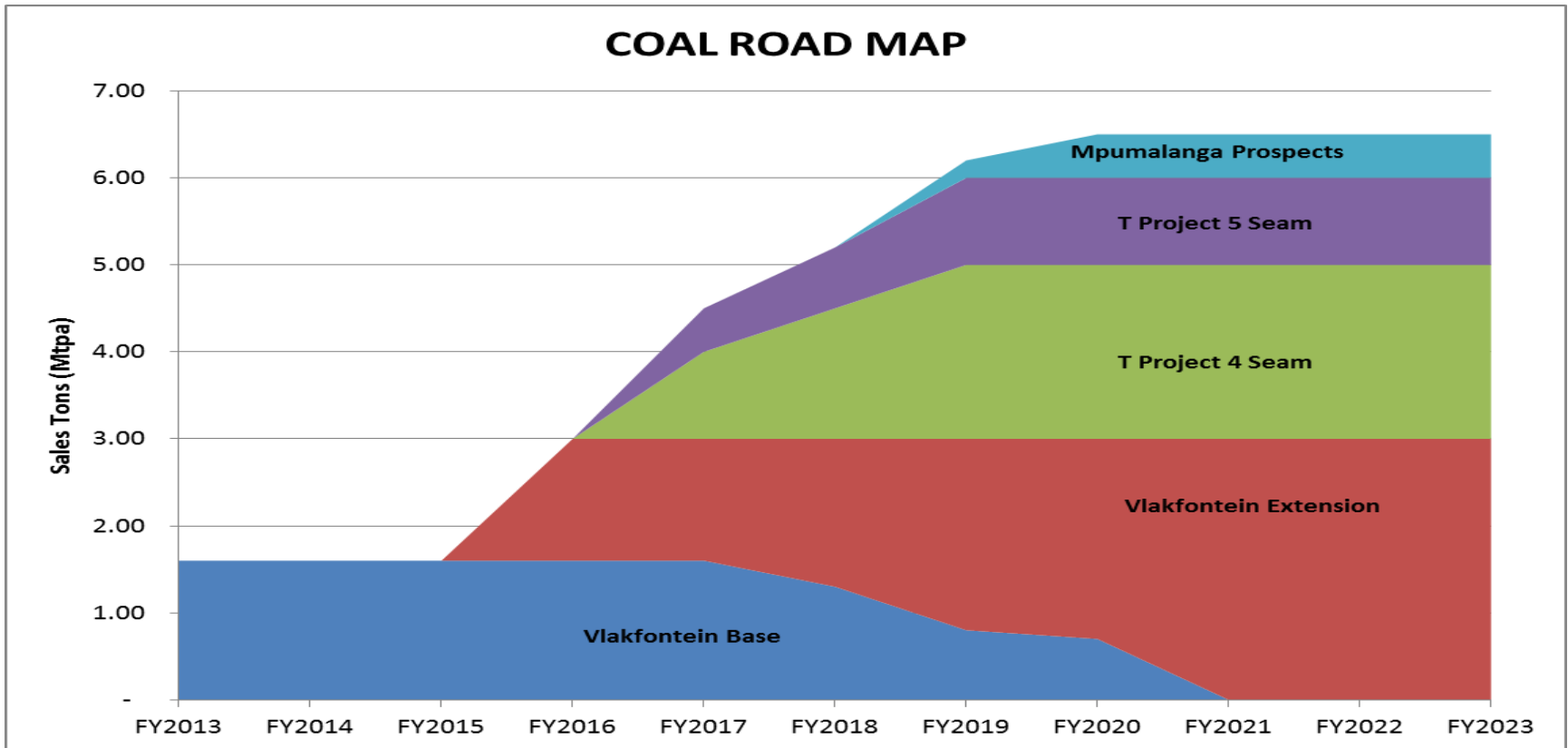
Objectives

1. To produce and sell of 1.5 MT of coal
2. To achieve zero fatality and minimise LTR during the year
3. Complete prefeasibility on the Vlakfontein Mine extension
4. Complete prefeasibility on the T Project for 4 and 5 seams combines for optimisation
5. Complete 3 desktop studies
6. Progress prefeasibility for PAMDC projects
7. Achieve the budgeted profitability, cash flow and liquidity ratios
8. Complete the AEMFC hiving off from CEF by June 2013
9. Identify an acquisition and presentation to Board
10. Corporate governance





Mt	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Vlaktefontein Base	1.60	1.60	1.60	1.60	1.60	1.30	0.80	0.70	-	-	-
Vlaktefontein Extension	-	-	-	1.40	1.40	1.70	2.20	2.30	3.00	3.00	3.00
T Project 4 Seam	-	-	-	-	1.00	1.50	2.00	2.00	2.00	2.00	2.00
T Project 5 Seam	-	-	-	-	0.50	0.70	1.00	1.00	1.00	1.00	1.00
Mpumalanga Prospects	-	-	-	-	-	-	0.20	0.50	0.50	0.50	0.50





Financial Outcomes and Forecasts

- * Unaudited 2012/13: Net Income before Tax and W/Offs:
R107.3 million
 - Sales Increase of 276 % to R326.9 million
 - Loss to Profit turnaround
 - GP Margins : 51%

- * 2013/14 Net Margin lower to 46%:
 - Kusile delays
 - Coal qualities
 - Lower Revenue





Financial Outcomes and Forecast (Continued)

- * Balance Sheet
 - 2013/14 improvement towards solvency
 - Increase in loans to support further growth
 - Increase in PAMDC investments
 - Liquidity ratios healthy subject to Loan Restructuring
- * Cash Flow Statement
 - Positive assisted by borrowings





AEMFC Exit Plan (and progress)



1. Implementation agents have been appointed.
2. CEF Loan Restructuring and Repayment Terms in progress
3. Search for 3rd party funding including from CEF in progress – various presentations (alternatives)
4. National Treasury presentations and guidance in March positive – for guidance and information (letters to follow)
5. Engagement with DMR in progress and positive
6. AEMFC necessary own support services have been secured (e.g IT systems, finance personnel, etc.)

SASDA



Programme Scope: Supplier Development

What we do...Our intervention inter alia entails:

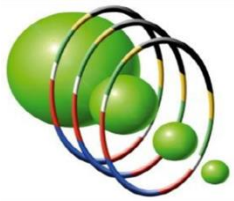


- ❖ **Mentorship & coaching**
- ❖ **Technical support**
- ❖ **Skills training (technical & business)**
- ❖ **Supplier assessments**
- ❖ **Facilitate access to raw materials**
- ❖ **Facilitation of Financial support**
- ❖ **Project management**



Mandate of SASDA

- ❖ Shareholders mandate of developing suppliers has not changed
- ❖ Oil companies and energy related entities are still struggling with supplier development
- ❖ The small pockets of success by the participating companies has not helped accelerate empowerment of black suppliers - confirmed by the oil industry audit
- ❖ Development of suppliers and transformation of the energy sector is paramount to the economic growth of the country so development must take place



Funding challenges facing SASDA.....Possible Qualification re going concern issues

- ✦ SASDA is funded through a sub-ordinated loan via a Ministerial directive by CEF.
- ✦ Dwindling cash reserves and no dividend flows from subsidiaries has put tremendous pressure on CEF's group's sustainability
- ✦ Funding of SASDA has become untenable
- ✦ CEF loan over the past 4 yrs has created a going concern problem for SASDA where liabilities exceeds assets – insolvency and reckless trading



What has management done to address these challenges

- ❖ SASDA engaged CEF to recapitalize SASDA by writing off the loan, thereby averting a possible qualification. Not an option for CEF.
- ❖ SASDA and CEF engaged SAPIA BOG to re-assess their commitment to support SASDA. Industry still deliberating on the matter
- ❖ **CEF group to approach DoE on future of SASDA**
- ❖ Possible SASDA shutdown\liquidation as directors are not willing to carry burden of reckless trading

Wrap up

- Overview of the CEF Group
- CEFs plan, including restructured Group, objectives and consolidated financials
- Subsidiary plans

Thank you
Questions?