**COMMITTEE ASSURED OF HIGH LIKELIHOOD OF SUCCESS IN JOINT GAS EXPLORATION DEAL IN SOUTH SUDAN**

The Central Energy Fund (CEF), which is a schedule 2 state-owned diversified energy company together with one of its subsidiaries, Strategic Fuel Fund (SFF), have assured members of the Portfolio Committee on Mineral Resources and Energy about the high likelihood of success in the joint venture between SFF and the South Sudanese oil company, Nilepet, to undertake exploration of gas in South Sudan.

The deal to enter into a joint venture between South Africa and South Sudan was entered into in May 2019, in which South Africa has pledged to invest US$1 billion (R14.7 billion) into the project which will secure affordable energy supply for the country.

The CEF falls under the Department of Mineral Resources and Energy and derives its mandate from the CEF Act (Act 38 of 1977), which says the company should contribute to the security of energy supply of South Africa and the region through exploration, acquisition, development, marketing and strategic partnerships.

It appeared before the committee on Tuesday with its five subsidiaries to make a presentation on their current state of affairs, in which PetroSA and SFF were put on the spotlight.

On PetroSA, the committee placed its focus on the R14.5 billion lost through exploration activities which were undertaken by the company and yielded only 20% of the envisaged outcome. It needed to understand the logic behind a continued exploration appetite and, why the project was stopped eventually, despite not achieving its objectives.

On the SFF and Nilepet exploration deal, the committee only raised a concern with regard to the rationale behind entering into a joint venture with a South Sudanese company, despite continued tensions in that country.

The committee further strongly highlighted the issue of transformation at the CEF and its subsidiaries, in which it encouraged that vacant senior positions should be filled by women at the CEF. “Women are a necessity and equals and they should be treated as such. Next time when entities appear before the committee, we want to see them represented in their delegations,” said Mr Sahlulele Luzipo, the Chairperson of the Portfolio Committee on Mineral Resources and Energy.

He further said that engagements were successful in shedding some light, upon which the committee will be able to exercise oversight effectively.

The committee asked the Department of Mineral Resources and Energy to provide information with regard to the previous board members of the CEF and its subsidiaries from as far back as 2010, including executive leadership at the department level.

By Justice Molafo
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