

South African Oil & Gas Alliance

Submission

Parliament of the Republic of South Africa

The Upstream Petroleum Resources Development Bill

18 Novemebr 2022



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South African Oil & Gas Alliance

Shaping and accessing oil & gas goods and services opportunities

HELP SA INC. TO OPTIMISE ECONOMIC OPPORTUNITY AS AN INDUSTRY BODY

**PROMOTION
NETWORKING
CAPACITY BUILDING
LOBBYING**

**FOCUSED ON UPSTREAM & COMPLEMENTARY
MIDSTREAM & DOWNSTREAM.**



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CHALLENGES:

- **ATTRACTIVENESS TO INVESTORS**
- **LEGISLATIVE AND REGULATORY UNCERTAINTY**
- **CAPACITY BUILDING TO CREATE AN ENABLED ENVIRONMENT**
- **SHORT TERM FOCUS**
- **LACK OF SHARED VISION**
- **GAS IS OFTEN OVERLOOKED AS A SOURCE OF ENERGY IN THE JET**



OPPORTUNITIES I:

- **SA UNDER-EXPLORED AS A COUNTRY**
- **EMPLOYMENT CREATION**
- **SKILLS HUB IN SOUTHERN AFRICA**
- **DECREASE INPUT COSTS FOR
MANUFACTURING AND INDUSTRIALISATION**
- **ENHANCED ENERGY SECURITY**



OPPORTUNITIES II:

- **COMPETITIVE LABOUR COST**
- **SAVE ON FEEDSTOCK IMPORTS/FOREIGN EXCH**
- **GOVERNMENT OFFTAKE BENEFIT**
- **SOUTHERN AFRICAN COMPLEMENTARY REGIONAL OPPORTUNITIES**



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OPPORTUNITIES III:

- **BRULPADDA / LUIPERD & REGIONAL FINDS ARE CATALYTIC**
- **GAS TO POWER – SUSTAINED SUPPLY**
- **SKILLS PIVOTING FROM MINING /MANUFACTURING / RENEWABLES/....**
- **WE DO NOT START FROM ZERO**



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URGENT PRIORITIES:

1. REMOVE LEGISLATIVE UNCERTAINTIES.
2. CREATE AN ATTRACTIVE EXPLORATION PROPOSITION.
3. FLEXIBILITY IN THE PROVISION FOR THE 20% CARRIED STATE INTEREST AND THE MINIMUM OF 10% BLACK PARTICIPATION ON COMMERCIAL TERMS. TO BE AMENDED TO 'UP TO 20%' AND 'UP TO 10%' RESPECTIVELY.
4. MORE CLARITY IS NEEDED RE: THE TRANSITIONAL ARRANGEMENTS AND TIMELINES RELATED TO CURRENT LICENSE HOLDERS.



 **THANK YOU**



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