MINISTRY OF ENERGY

REPUBLIC Of SOUTH AFRICA

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Memorandum from the Parliamentary Office

**National Assembly : 123**

Please find attached a response to Parliamentary Question for written reply asked Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy

Mr. Ompl Aphane

**Deputy Director-General: Policy and Planning
Date**: 25/07/2019

Mr Lloyd Ganta
**Acting Chief Operating Officer
Date**; 10/07/2019

Recommended

Mr Thabane Zulu
**Director General: Department of Energy
Date**: 26/07/2019

Approved

Mr SG Mantashe
**Minister of Mineral Resources and Energy
Date**: 29/08/2019

**123. Mr K J Mileham (DA) to ask the Minister of Mineral Resources and Energy:**1) Whether the Government made any investments in energy resources such as coal, oil, gas or other mineral resources and/or any beneficiation process for energy resources or the direct supply of energy outside the borders of the Republic (a) in the (i) 2017-18 and (ii) 2018-19 financial years and (b) since 1 April 2019; if not, what is the position in this regard; if so, what are the full relevant details of each specified investment, including the (aa) cost, (bb) expected benefits and (cc) details of the process followed in each case; and 2) Whether any feasibility studies were conducted before making each investment; if not, in each case, why not; if so, (a) what were the (i) findings and (ii) recommendations in each case and (b) who conducted each feasibility study? NW1084E
 **Reply**1) (a) (i) The Government has not made any investment in the energy resources for 2017/18 financial year (ii) Only SFF, CEF Group subsidiary had invested in South Sudan during 2018/19 financial year.

**(b)** The Nile-Orange Energy Project (NOEP) is an ambitious strategic project spread in full Hydrocarbon value chain and currently ongoing in South Sudan between South African Government (Represented by Strategic Fuel Fund) and South Sudanese Government (Represented by NILEPET which is a National Oil Company of South Sudan). The cooperation is aimed at assessing and determination of technical, commercial and economic viability of the Nile Orange Energy Project spread in its entire component.

**(b)(aa)** To date Strategic Fuel Fund has spent R18.5 million towards developing the initiation note, this expense is made up of internal salary costs of experts, travelling, lodging and miscellaneous associated activities, deemed absolutely essential for execution of project.

**(b)(bb)** The partnership with South Sudan holds significant promise as it addresses in part South Africa security of feedstock supply challenges and provides a mechanism that acts as a natural hedge and reduces South Africa's exposure to oil price fluctuations.

**(b)(cc)** The National Treasury Framework for Infrastructure Delivery and Procurement Management gated framework is being followed and adhered to. All Project stage gates will be followed during the execution of project in future.

2) Process to depute experts and companies to conduct Pre-feasibility and feasibility studies is underway and findings /recommendations will be known at the end of feasibility studies only.