

**MINISTRY OF ENERGY**

REPUBLIC OF SOUTH AFRICA

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**Memorandum from the Parliamentary Office**

**National Assembly : 2642**

**2642. Mr G Mackay (DA) to ask the Minister of Energy:**

(1) (a) Whether the South African state-owned Strategic Fuel Fund (SFF) and Nigeria‘s Atlas Petroleum had allocated acreage in Equatorial Guinea’s latest licensing round, (b) what are the legislative or regulatory or any relevant sections of the founding mandate which allowed SSF to participate in petroleum exploration, (c) whether PetroSA was consulted as part of the transaction and (d) what costs were incurred by SFF with regard to the transaction:

(2) (a) can she provide Mr G Mackay with documents indicating board and ministerial approval, (b) why was this approval granted given that the role of the SFF is to ensure that there is sufficient crude oil stock that can be accessed in case of an emergency, (c) what are the parameters and details for this project? NW2948E

**Reply:**

(1)(a) Yes, (b) In terms of SFF Association’s memorandum of incorporation, SFF’s main business is to carry on the business of facilitating the exploitation of fuels and commodities which are or may become of strategic importance to the Republic of South Africa, not for gain but solely in the communal interests of the general public, and to perform any other acts towards this end, (c) No, (d) Costs incurred by SFF were limited to travelling costs of SFF employees who were participating Equatorial Guinea projects.

(2) (a) There is a letter from the then Minister of Energy addressed to EG’s Minister of Energy acknowledging SFF’s participation in negotiations relating to the project, (b) this is a matter regulated by SFF’s Memorandum of Incorporation, (c) The parameters of the project are yet to be defined including SFF’s obligations on the project, (d) the capital expenditure budget has not been defined pending the conclusion of negotiations between the parties that will spell out SFF’s obligations.