

NATIONAL COUNCIL OF PROVINCES QUESTION 21

21. Mr K A Sinclair (COPE-NC) to ask the Minister of Energy:

- (1) Whether any agreements have been reached with regard to the supply of crude oil to the new Mthombo refinery project; if not, what is the position in this regard; if so what are the relevant details;
- (2) Whether any steps have been taken to ensure sustainable supply for the life of the project; if not, how will this affect the feasibility of the project in the future; if so, (a) what steps and (b) what are the further relevant details?

REPLY

- (1) PetroSA is preparing to proceed to Front End Engineering and Design (FEED) phase. One of the deliverables of FEED is to conclude feedstock supply (including crude oil) and product off-take agreements.
- (2)(a) The sustainable supply of crude oil for the refinery will be secured through:
 - Partnering with complimentary crude oil producing companies;
 - Developing a crude oil supply strategy for the refinery which will be based on term contracts and supplemented by spot trading; and
 - Expanding PetroSA's crude oil reserves.
- (b) Further details will be finalised during the FEED stage of the project.