

NATIONAL COUNCIL OF PROVINCES QUESTION 49

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

Whether any agreements have been reached to ensure the availability of the targeted 60 – 70% debt ratio for the Mthombo refinery project; if not, (a) how will this affect the project in the future, (b) what deadlines have been set for achieving the targeted debt ratio, (c) how will the inability of negotiating the targeted ratio affect the project's feasibility; if so, what are the relevant details?CW56E

REPLY

PetroSA's financing strategy for Project Mthombo targets sourcing between 60-70% of the required capital through debt financing. This strategy will be finalised with the project's equity partners before PetroSA approaches financing institutions. All financing arrangements must be completed during the Front End Engineering and Design (FEED) phase in order to enable the equity investors to make a Final Investment Decision (FID). The FEED study will be tabled for Cabinet approval.