

Parliamentary Questions

Mr JF Smalle (DA) to ask the Minister of Energy:

- 1) Whether the Petroleum Oil and Gas Corporation of South Africa Pty Ltd (Petro SA) loaned any money to a certain company (name furnished); if not, how was this conclusion reached; if so (a) what was the total sum of the loan, (b) what guarantees were provided and (c) (i) when and (ii) by whom was the loan approved;
- 2) What was the monetary value of the guarantees;
- 3) Whether Petro SA had the loan written off; if not, how was this conclusion reached; if so, (a) why, (b) who approved the decision to write off the loan and (c) what total amount was written off;
- 4) Who (a) were the directors of the said company at the time that the loan agreement was signed and (b) who are the current directors?

Response/s:

- 1) Yes, In April 2004 PetroSA purchased a 40% stake in an oil-producing entity (OML114) in Nigeria through a wholly owned subsidiary (Brass Exploration Unlimited - BEU).
  - a. As part of the purchase consideration BEU had a loan on its books amounting to \$35 251 730.60, which PetroSA financed from its own cash resources. The loan was adopted by PetroSA and was at an interest rate of Libor+14%. The wholly owned subsidiary (BEU) was commercially viable and has since fully repaid this loan, together with interest.
- 2) There were no guarantees provided in respect of this loan. The acquisition of BEU went through the normal approval processes, including the PetroSA Board of Directors, South African Reserve Bank and the Minister of Energy. These approvals were duly granted. The Treasury Department was notified in terms of the Public Finance Management Act.
- 3) The loan was fully repaid on the 10<sup>th</sup> of June 2009, together with interest. There was no part of the loan written off
- 4) At the time of the purchase, the directors of the acquired company were Mr A. Omar and Ms M.N. Ngobeni (all PetroSA employees). The company was disposed of in December 2010 and the directors then were Mr NG Nika (PetroSA executive director), Prof. BDEL Figaji (PetroSA non-executive director) and Ms M.N. Phohlela (PetroSA employee, formerly Ms M.N. Ngobeni)