



**MINISTRY OF ENERGY**  
**REPUBLIC OF SOUTH AFRICA**

**National Assembly question 2167**

**Mr L Ramatlakane (Cope) to ask the Minister of Energy**

- (1) Whether the Government has (a) had any further exploratory talks on energy strategic projection for South Africa or (b) entered into any memoranda of understanding on actual medium- to long-term plans to secure oil with (i) countries on the continent, (ii) the Middle East or (iii) any other country;
- (2) at what stage are the talks or negotiations between the respective governments;
- (3) what progress has the Government made in securing and finalising plans for the future supply of oil to boost South Africa's economic growth;
- (4) (a) what is the time period for oil production, (b) do we have enough reserves and (c) do we require refinery depot and machinery alterations?

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**Reply:**

- (1)(a) Government continues to engage with other countries in pursuit of energy resources to ensure energy security in the country.
- (b) A number of cooperation agreements which will underpin any negotiations for exploration of oil, have been concluded with countries in possession of oil and gas resources

- (i) In the African continent cooperation relevant to this debate, agreements have been signed with the Algeria, Angola, Egypt, Ghana, Mauritania, Mozambique, Namibia and Nigeria.
  - (ii) Countries in the Middle East prefer to deal directly with refinery owners and other oil companies including state owned oil companies. In this regard government is facilitating discussions with countries in that region.
  - (iii) Agreements have also been signed with the Russian Federation and Venezuela.
- (2) Work is continuing in accordance with the agreed country to country agreements.
- (3) Government is currently focusing on increasing the emergency petroleum reserve which will be released only during major supply disruptions. In terms of commercial crude oil stocks oil companies that operate refineries are responsible for securing their own needs. Oil companies are business entities and the survival thereof depends on the availability of crude oil to run their refineries. Access to and availability of crude oil is as important to them as it is to government. There is no reason for government to be concerned about their ability to meet their commercial obligations.
- (4)(a) The time period of the oil production depends on each jurisdiction.
- (b) The reserves of the country need to be continuously augmented to take into account demand patterns. As long as demand for petroleum products increases, there needs to be a proportionate increase in reserves.
  - (c) The refinery architect and depots will need to be upgraded for the new fuel standard and specifications which will be available by 2017

**End**