

LPG Business Opportunities

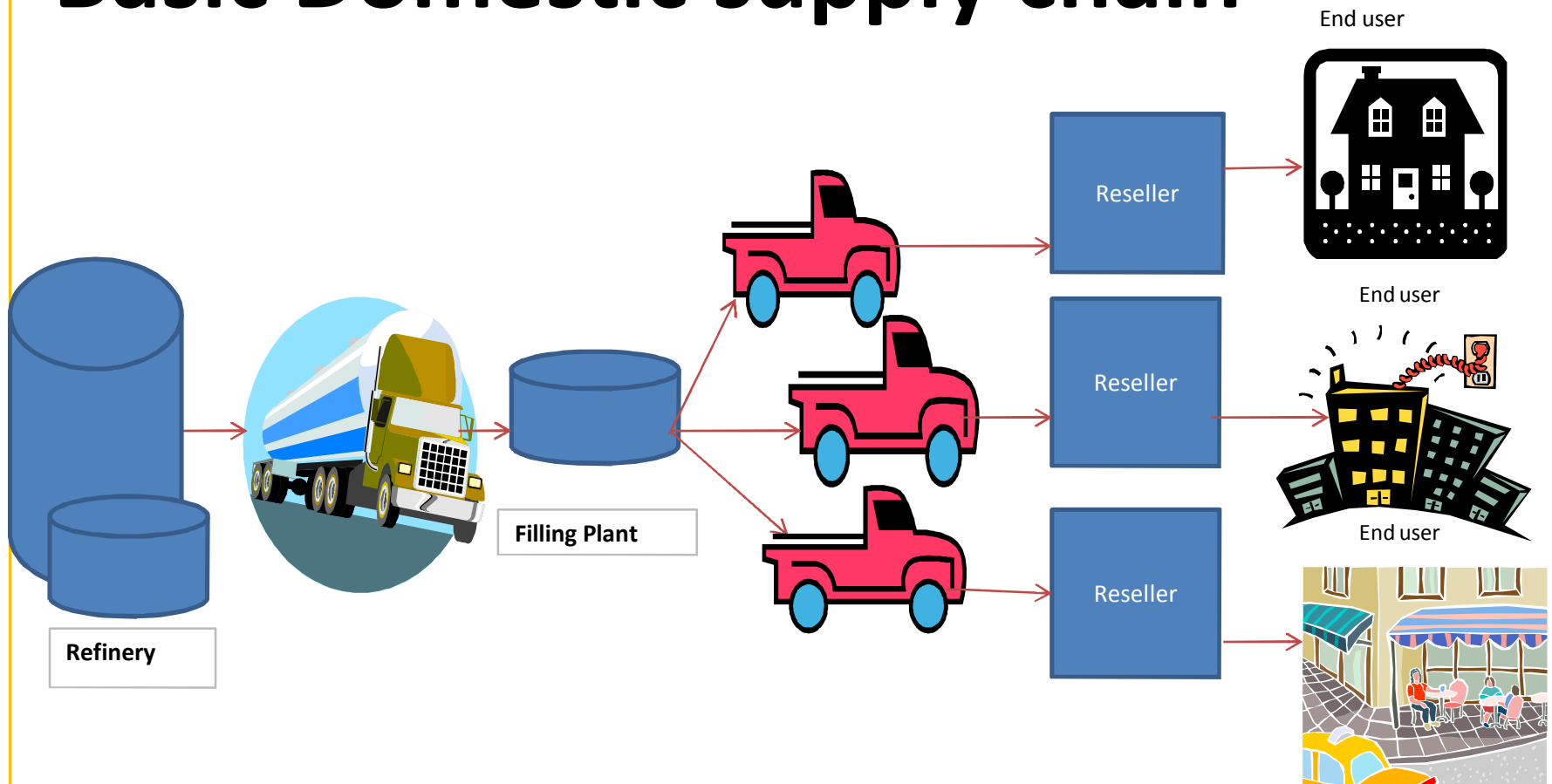


Reatile Gaz

- Formed in 2004
- Supplier and distributor of LPG and Propane
- Purchased Air- Products business in 2007
- Purchased Engen Petroleum Limited LPG business in 2010.
- We are Black Owned and shareholding being 55 % Reatile and 45 % Engen Petroleum Limited
- Even with all this, our market share is only 8%



Basic Domestic supply chain



Opportunities

- Transport – Bulk from refinery to filling plants and end users
- Transport cylinders from filling plant to reseller
- Transport cylinders from reseller to final end users



Opportunities

- Resellers at local level including:

- * Transport to end users :

Taxis do not take LPG cylinders without extra payment and current cylinder too heavy to carry for long distance

- Women in communities - Reselling
 - Training in safe use & handling
 - Awareness campaigns
- Installation - Domestic & Commercial
- Maintenance & Service - Cleaning of grills and grease removal

Opportunities : Cylinders

- Manufacture locally – 15 % duties are payable on Imports of cylinders from outside EU
- Thailand and India are cheaper than Europe
- We have Local Steel- the only drawback is quantity for production runs
- Increase use of LPG - increased need for cylinders
- Smaller cylinders - sell to end users
- Easier to carry / refill at local reseller



Markets

- Domestic/Commercial/Industrial/Agricultural/
Mining
- Use of mini bulk (dumpies) in place of banks of cylinders
 - * Less movement of cylinders
 - * Less danger (HSEQ) to transport cylinders



LP Gas Constraints

- Local refinery production reaching limits
 - Planned or unplanned shut downs
 - Increased transport cost to supply
 - * e.g. Chevron Refinery in Cape town - alternative PetroSA in Mossel Bay
- Limited import facilities available



Government Intervention

- LPG domestic cylinder prices are now regulated, as of July 2010
- Positives :
 - Increasing demand due to affordability
 - Transparent pricing encourages investment in the value chain
- Current Challenges: Enforcement of regulation by all stakeholders



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