

**Remarks by the Minister of Energy, Ms Dipuo Peters, MP, at the Launch of the  
State Mining Company: African Exploration Mining and Finance Corporation**

**Ogies, Vlaktefontein Operations, Mpumalanga**

**26 February 2011**

---

Programme Director;

His Excellency President Jacob G. Zuma;

Deputy President, Mr. Kgalema Motlanthe

Honorable Minister of Mineral Resources, Ms. Susan Shabangu;

The MEC of Economic Development, Environment and Tourism, Mr. Mokoena;

The Mayor of Nkangala District Municipality, Councilor Speedy Mashilo;

The Leadership of the Province;

The Leadership of all Local Government structures;

The Leadership of CEF Group of Companies;

The CEO of African Exploration Mining and Finance Corporation, Mr. Sizwe Madondo;

Government Officials;

Members of the Media;

Distinguished Guests;

Ladies and Gentleman!

We gather here today to mark a significant milestone, not just for the mining or minerals sector, but are significant milestone in the history of the liberation of South Africa as a

whole. The democratic Government of South Africa under the leadership of the ANC as the ruling party and its President, His Excellency Mr. JG Zuma, remains steadfast in ensuring that the aspirations of the Freedom Charter, which are also encapsulated in our Constitution, are realized in our lifetime. Indeed, "*The People Shall Share in the Country's Wealth! - The national wealth of our country – inclusive of the mineral wealth beneath the soil -, the heritage of South Africans, shall be restored to the people.*" We are the Government of the people of South Africa; we are the people!

Mr. President, the launch of the State Mining Company is a milestone to be celebrated by all South Africans.

Being the Minister of Energy, I am greatly delighted that the State Owned Mining Company will also specifically target the acquisition and holding of exploration and mineral rights in respect of energy related minerals as well as engage in the mining thereof. Of particular interest to me, is the proper allotment and management of our coal resources as well as further exploration and optimal production of other energy resources buried underground like shale gas and coal bed methane. Moreover, the Integrated Resource Plan (IRP) 2 envisages a situation where coal has the lion share of electricity generation, followed by nuclear power as well as renewable energy resources. It is therefore expected of the State Owned Mining Company to support the IRP2 targets from a feedstock supply viewpoint where applicable.

Coal continues to be a significant and fundamental energy resource in South Africa and the world. In 2009, fossil fuels collectively contributed about 89.2 % of primary energy used: coal (65.9%), oil (21.5%) and gas (2.8%) in South Africa. The balance in primary energy contribution was sourced from nuclear (3.2%) and renewable energies (7.6%) respectively. It is very clear that we are a coal based economy and we have to optimally use what God has blessed with.

As a dependable source of energy, apart from the ordinary thermal use of coal, we also use it to generate coal electricity through Eskom's coal-fired power stations – many of which are in this province - and produce liquid fuels, through Sasol's coal-to-liquids

(CTL) plant in Secunda, which is also in this Mpumalanga Province. I find it disturbing to learn that our electricity utility, Eskom, is facing coal supply challenges when South Africa has an abundance of coal. This matter needs to be addressed collectively with the use of all available instruments. We are also alive to the developments in the oil producing countries which confirm the need for us to diversify our energy mix taking due cognizance of our natural endowment.

I am looking forward to the State Owned Mining Company which will be in the coal face – excuse the pun - of Government policy implementation executing its mandate with due regard of health and environmental challenges and balance these well with our socio-economic imperatives. It also fair to expect the Company to be a catalyst for meaningful transformation and technical advancement in the search for other energy resources in collaboration with Eskom, PetroSA and other private players. My President, this very launch of the State Owned Mining Company is demonstrative of the fact that **Together we can do more!** Together with the Honourable Minister of Mineral Resources, Ms. Susan Shabangu, as well as other ministers we will continue to work together for the improvement of the lives of the people of South Africa, whose needs we have been mandated to champion through their votes.

However, it is important to note that the launching of this State Owned Mining Company and the strengthening of other State Owned business Entities are not misconstrued as a means of crowding out private investments or a signal of relenting on other empowerment efforts, particularly Broad Based Black Economic Empowerment. They are actually meant to expedite meaningful empowerment of the masses of our people who were oppressed and dehumanized by the abhorrent Apartheid Regime. However, Government can only do so much to empower its peoples – We must empower ourselves. Let us then acquire the skills and have the proper work ethic to qualify to benefit from the noble initiatives of Government.

As we all must know by now, Government has embarked on a job creation drive and this State Owned Mining Company should play a pivotal role in addressed skills development and the creation of job opportunities. Asifunde sibenolwazi lokusebenzela inkampani yethu izwe lethu libe nempumelelo!

Siyanibonga! Siyanithokoza!