MINISTER
ENERGY
REPUBLIC OF SOUTH AFRICA

Address by the Minister of Energy, Ms. Dipuo Peters, MP on the occasion of the Opening Ceremony of the PetroSA Synthetic Fuels Innovation Centre at the University of the Western Cape

Tuesday, 15th May 2012

Programme Director,

President and CEO of our NOC, PetroSA, Ms. Nokwe;

Vice-Chancellor of UWC, Professor O'Connell;

Leadership of both PetroSA and UWC;

Management and staff of the UWC, PetroSA, SAIAMC and PSFIC,

Members of the press,

Ladies and gentlemen:

I have now had the opportunity to see for myself the impressive facilities of the PetroSA Synthetic Fuels Innovation Centre here at the University of the Western Cape. It is, indeed, the first of its kind in

South Africa and it is fitting that PetroSA, our National Oil Company, should have initiated this development.

Although other international oil companies have research interactions with universities, the establishment of a fuels innovation centre at pilot-plant scale represents a new venture as far as technology development partnerships between industry and academia in South Africa are concerned.

PetroSA is to be congratulated for its vision in funding this important enterprise. Equally, I must congratulate the University of the Western Cape for shaking off the ivory-tower attitudes of conventional academia to house on its campus a pilot plant facility that runs 24 hours a day and is dedicated to technological innovation in the national interest.

A huge cost item in the national budget is the importation of fuel, hence PetroSA's contribution to the fuel supply of synthetic fuels from locally occurring natural gas adds significantly to our GDP.

Therefore, innovation regarding new technologies incorporating alternative feedstocks which are locally available is of great importance.

South Africa is faced with enormous challenges with regard to developing the human capital required to meet the needs of knowledge-based industries which are the core of a modern economy.

It is the joint responsibility of the Government, industry and universities to seek innovative ways of implementing programmes which can meet those challenges. Those programmes must be informed by the particular history and circumstances which appertain to South Africa, hence there is an imperative to address the necessity of uplifting previously disadvantaged communities and the eradication of poverty.

Implementation of such programmes will also help to meet the skills shortages in the country as highlighted in our Government's 2009-2014 Medium-Term Strategic Framework, which emphasizes the necessity for human capital development.

The University of the Western Cape not only has the scholarships and expertise to develop such programmes, but it is itself a historically disadvantaged institution drawing a majority of its student intake from those communities most in need.

More particularly, the South African Institute for Advanced Materials Chemistry (SAIAMC) has a track record of world-class R&D oriented to support the energy sector of the South African economy and has been designated by the Department of Science and Technology as a major hub for the development of the Hydrogen Economy.

Natural gas reserves represent a vital energy resource for South Africa and for the African continent as a whole, thus the identification and monetization of those reserves by PetroSA is a major national interest. The value-adding chain from discovery through gas-to-liquid (GTL) conversion is a knowledge-intensive process involving technological skills of the highest order. The knowledge and skills required involve human capital educated to Masters and Doctoral levels. Thus the University of the Western Cape (UWC) and PetroSA

have common interests in promoting and supporting research and training in all areas relating to the monetization of gas.

It stands to reason, therefore, that a strategic partnership between PetroSA and UWC can realize this bold vision. Such a partnership must be based on mutual advantage and must not be imposed by either party. Central to that vision is the concept of an anchor project around which further collaboration can grow.

Conversion of olefins to distillates (COD) technology is already a priority area of R&D for PetroSA, in particular the adaptation of the process to new feedstocks such as napthas and biofuels.

You may read the excellent brochure provided by the PSFIC today for more details of the COD process.

The rationale for the establishment of a COD research facility at the SAIAMC at UWC is that there already exists expertise in catalysis research and gas conversion technology at the SAIAMC, although not specifically in COD. Thus the COD facility, which is called the PetroSA Synthetic Fuels Innovation Centre (PSFIC), includes in its

staff compliment PetroSA COD experts who will transfer their knowledge and skills to both staff and students at the SAIAMC.

This anchor project serves as the precursor of other other research projects related to GTL technology, which may yet be agreed upon between the two parties.

Ms Nokwe and Professor O'Connell, once again congratulations to you and your respective teams for the pioneering initiative that your organizations have launched. I am cconfident that your strategic partnership will grow from strength to strength. Good luck to the PetroSA Synthetic Fuels Innovation Centre.

Thank You.