



**MINERAL RESOURCES AND ENERGY  
REPUBLIC OF SOUTH AFRICA**

**REMARKS BY THE HONOURABLE  
MINISTER OF MINERAL RESOURCES AND ENERGY  
MR GWEDE MANTASHE  
SOUTHERN AFRICAN OIL AND GAS CONFERENCE  
CAPE TOWN ICC  
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Director General of the DMRE, Mr Jacob Mbele

Board members of the Petroleum Agency SA led by Mr Satish Roopa

Board members of the South African Oil and Gas Alliance led by Mr Mthozami Xiphu

Captains of Industries

The Investment Community

Distinguished guests

Members of the media

Let me start by expressing our appreciation to you for joining us at this 3rd Annual Southern Africa Oil & Gas Conference convened under the theme: ***“Oil and Gas development to address Southern Africa’s energy challenges while ensuring a just energy transition”***.

Overcoming the context under which we gather at this conference requires a forward-looking approach. It is evident that energy poverty, which our continent is engulfed with, coupled by the global imperative of climate change continue to

inhibit Africa's economic growth and worsen the triple challenges of unemployment, poverty, and inequality.

We are therefore called upon as delegates to this conference to push boundaries and reimagine our energy trajectory in today's changing world. To do this, we need to ensure that this conference does not become a talk shop, but a platform for vigorous engagements with clear decisions and appropriate action outline to address our energy challenges, whilst preserving the environment.

There is mounting evidence which points to the fact that the Southern African Development Community (SADC) is endowed with large deposits of oil and gas.

The Petroleum Agency of South Africa (PASA) estimates that South Africa alone holds 27 billion barrels and 60 trillion cubic feet (tcf) of prospective oil and gas resources on the south, east, and west coasts.

The success stories of Guyana and Namibia have also brought about a paradigm shift in the petroleum prospectivity in the region and the contribution thereof to the economy.

Not only did Guyana's economy grow by 62.3% in 2022, but its domestic gas production has enabled Guyana's government to replace heavy fuel oil in electricity generation with indigenous natural gas, and as a result reduced electricity tariff by 50%.

On the other hand, Namibia's 2022 Venus-1 discovery recognised as the world's largest find in the last 15 years, has enabled Namibia to accelerate its exploration programme and increased its potential to double its country's Gross Domestic Product (GDP) by 2040.

South Africa stands to benefit from the two hundred, and eighty-eight billion rand (R288 Billion) investments planned to be made for TotalEnergies' Brulpadda project in the Western Cape, Virginia gas in Free State, Lephalale Coal Bed project in Limpopo, and the Afro Energy project in Amersfoort and Volksrust in Mpumalanga.

Regrettably, all these investments amount to a relatively small investment quantum compared to normal investments in the upstream petroleum sector. This is largely due to the ongoing litigations against the exploration and development of oil and gas, including the halting of the seismic acquisition off the coast.

It is concerning that while other jurisdictions are left undisturbed in their exploration and development of their oil and gas resources, South Africa, on the other hand, continues to face mounting opposition and obstacles to the same programme. This needs to be addressed to ensure that foreign-funded Non-Governmental Organisations (NGOs) do not have unfettered veto powers against development in the SADC region.

This conference therefore serves as an opportunity for SADC to identify strategies to accelerate exploration and development of oil and gas resources, which is critical for the SADC region's energy security and economic development.

At the global stage, one summit after the other, the use of fossil fuels for energy generation is being threatened by some in the energy transition debate. Those who advocate for climate change, continue to pit fossil fuels against renewable energies, and as a result downplaying the role of fossil fuels in the energy mix, while they exaggerate the role of renewable energies.

I think it would be prudent for the SADC region to leverage on the advice which we received from the Chinese Minister of Energy during the BRICS Energy Minister meeting, which I would like to share with you today.

He said, *“Be careful not to abandon what you have and what works in the hope that something new will be greater. It is critical to strengthen the new and ensure that it is reliable, efficient, and affordable, before you can phase down on the old”*.

It is therefore critical for SADC countries to clearly define their path to a just energy transition from high to low carbon emissions with gas playing a critical role as a fuel for gas to power and industrial application.

Despite the pressure to move away from using fossil fuels, the global gas markets have reached new highs. While oil price has

been volatile in recent years, it has since maintained the levels between \$70 to \$80/barrel and thus putting oil and gas companies in a position where they can experience healthy cash flows.

There is an opportunity for SADC countries to develop their resources in a manner that mitigates against the volatile nature of global oil and gas pricing practices. It is therefore important for the SADC region to unlock oil and gas exploration and development to protect its citizens from the volatile international pricing, and shift towards practices that will not increase the cost of living.

Whereas our nations are at different developmental stages, we all have a responsibility to ensure that our economic sectors, including the oil and gas sector, perform optimally. Given the potential of our region, optimal development and support of this sector stands to change the face of our economy, region, and the continent.

We must leverage from the common view shared by among others, the BRICS nations, on the efficient use of all energy sources, including fossil fuels in supporting both energy security and the just energy transition.

We must therefore not allow a situation where we are denied the opportunity to unlock investments in the upstream petroleum development for the SADC economy.

In conclusion, let me take this opportunity to reassure you that South Africa is open for business to the global community in the exploration and development of oil and gas. We invite all investors and their exploration partners to see South Africa as an investment destination and work with our government in the development of oil and gas projects that are either offshore or onshore.

We also urge all affected and interested parties in the oil and gas sector to engage responsively in the battle of ideas, so as to ensure that the role of this sector is not undermined for nefarious reasons.

***I thank you.***