

STORM CROW TEN CC
(Company Registration No: 2003/028254/23)

**ALLOCATION MECHANISM FOR THIRD PARTY
ACCESS TO PETROLEUM STORAGE FACILITY**

DATE: 14 July 2014

TABLE OF CONTENTS

PAGE

1.	Introduction	1
2.	Tariff Schedule	2
3.	Contractual terms and conditions for use	
	i) Storage capacity scheduling and planning	3
	ii) Volume to be stored	4
	iii) Petroleum type and quality control	5
	iv) Custody of petroleum	5
	v) Amendments to documentation	6
4.	Contractual Terms and conditions for payment	6
5.	Technical requirements for access to the storage facility	7
6.	Process to be followed by third parties when requesting access	8
7.	Conclusion	9

1. INTRODUCTION:

The National Energy Regulator of South Africa (NERSA) granted the licence's PPL.sf.F3/148/2013 to Storm Crow Ten CC, operating as Brent Oil (Pty) Ltd. The licence was granted for the transportation, storage and loading of the following petroleum products: paraffin, diesel and petrol.

Brent Oil (the operator) plan their own transfers into and out of the available ullage constraints, the shareholders Storm Crow Ten CC and Brent Oil (Pty) Ltd meet at a set frequency to coordinate the movement of product into and out of the facility.

Storm Crow Ten CC are in the process of submitting tariff application to the National Energy Regulator.

There is insufficient excess capacity to allow 3rd party access capacity due to the fact that the tankage on site is only sufficient to service our existing customer -Brent Oil (Pty) Ltd. The storage facility can be viewed and the office can be contacted to set up an appointment.

Brent Oil Pty Ltd are able to supply new customers with product on a first come first serve basis but are unable to offer facility to third parties.

2. TARIFF SCHEDULE

The service is restricted to the provision of storage and handling fees at the specific site. Ownership of the petroleum products remains with the lessee at the facility on the provision that the quality of products at the storage facility is not compromised. The tariff excludes any insurance requirements.

All tariffs are **EXCLUSIVE** of VAT.

Insurance cover is in place provided that the relevant legislative and policy requirements have been met. Terms will be specified on a case by case basis.

The tariff proposal will be submitted to NERSA for approval.

If any of the lessor's cost escalates drastically, due to unforeseen circumstances, the lessor may review the current costing before the end of the term.

3. CONTRACTUAL TERMS AND CONDITIONS FOR USE

i) STORAGE CAPACITY SCHEDULING AND PLANNING

Services are subjected to:

Availability of surplus facility:

Storage capacity will only be made available to third parties if it is not taken up by the lessee for own storage requirements.

Three months advance notice is required for indicative order planning purposes and seven working days notice is required before confirmation of order.

Product will only be accepted at our facilities during normal operating hours (8h00 - 16h00)

The Depot Manager (CJ Botha) at the depot must be present during loading and off-loading of product into and out of storage to ensure compliance with all relevant procedures, 24 Hour notice is required before product is picked up from the facilities.

All documentation must be done both paper and electronic format, e.g. orders to be e-mailed and hard copies send with the truck. Delivery and dispatch schedules must be strictly adhered to ensure the smooth running of the daily activities of our storage facility.

Written pre-approval by CEO of use of the lessor's facility;
Signing of lessor's standard lease agreement by lessee before us;

The use of the storage facility by lessee and/or lessee's representative, may not negatively affect the operation of the lessor;

ii) *VOLUMES TO BE STORED*

Uncommitted capacity refers to the availability volume and throughput per product tank group that is not:

- Used by the facility owner and co-owners;
- Contracted out users in respect of tank or tank capacity

Storm Crow Ten CC do have a storage facility depot with offices; situated at 5 Hargan Street, Jet Park, Johannesburg. GPS coordinates(26° 10'26.23"S 28° 10'26.55"E) and comprising of four above ground storage tanks with an operation capacity of 332, 000litres.

38 000 lt capacity per day in equivalents of 38 000 lt.

Petroleum can be delivered and received in the following quanta:

Intake (Rode tanker): = 600lt/min

Discharge (Rode Tanker): = 800lt/min

- a) Unpumpables or dead stock, which is petroleum that is at the bottom of a storage tank and is incapable of being pumped out of such tank. The "unpumpable" litres per tank is approximately between 2000lt and 2500lt per tank.

The 3rd party will have access to the exact volume pumped through our meters into storage. A 3rd party will not have any claim to gains or losses due to fluctuations in temperature or density.

Description of the 1st site:

Property Description	5 Hargan Street, Jetpark
Area	Johannesburg Gauteng

The licence covers the following storage infra-structure on the site:

Product (Diesel)	Operating Capacity m ³
Tank 1	83 000
Tank 2	83 000
Tank 3	46 000
Tank 4	23 000

iii) PETROLEUM TYPE AND QUALITY CONTROL

The Products listed below are those products currently available at the relevant licenced Facilities. Please be aware that the product range may, at the time of application for third party access, be subject to change.

Diesel 50	50 PPM
Diesel 500	500 PPM

The lessee and/or lessee's representative must at all times comply with the lessor's;

- operational policies,
- SHE policies, procedure and standards;
- Product is only delivered by road tanker;
- Facility access specification requirements;
- Product technical specifications;
- HSEQ requirements;
- Proof of Theft and fire Insurance to cover the full amount of product stored at 5 Hargan street Jet Park.

Training requirements:

Dangerous Goods training;

Safety Standards;

Fire fighting and protective equipment;

Task Procedure - Vehicle filling at a bulk depot

Task Procedure - Bulk depot delivery

Hijack Awareness training;

Defensive Driving

Spill Reduction Intervention

Induction

Only product from reputable sources will be allowed to be delivered.

Proof of specs and quality has to be available.

The 3rd party will be responsible for the clean-up materials for any spillages resulting from malfunction of the 3rd party vehicle equipment or leakage there from.

The 3rd party will also be responsible for the cost of the clean up and must use an accredited environmental clean-up agent.

iv) CUSTODY OF PETROLEUM

Petroleum from a 3rd party will have passed into the custody of Brent Oil (Pty) Ltd once the total volume has been pumped into storage. Brent Oil (Pty) Ltd as the host, shall manage stock at the depot as such, risk for product losses shall be borne by the party responsible for arranging or contracting the product replenishment transport.

The volumes of product received shall be measured by the mass flow meters at the depot. Brent Oil (Pty) Ltd shall report on the host's product movement and stock balance on a monthly basis.

The following remedial actions will be taken if there is a loss of or deterioration in petroleum quality during the storage licensee's period of custody:

Brent Oil (Pty) Ltd (operator) and Storm Crow Ten CC (landlord) will be responsible to replace the quantity of 3rd party product lost due to incorrect operation of equipment or;

Due to leakage, faulty equipment or faulty maintenance of any equipment that is owned by Storm Crow Ten CC at the time of loss or deterioration;

Brent Oil (Pty) Ltd and Storm Crow Ten CC will be responsible to replace 3rd party product lost due to theft or fire only if Brent Oil (Pty) Ltd was negligent in providing the necessary fire safety and security measures.

The 3rd party is responsible for their own theft and *fire insurance to cover the full amount of product stored.*

v) **AMENDMENTS TO DOCUMENTATION**

Once an order for storage has been received by Brent Oil (Pty) Ltd, no amendments will be allowed to any documentation.

Absolutely no changes will be allowed to documentation after a delivery has been discharged into our storage facility.

Due to the fact that no changes to documentation will be allowed, there will be no impact on tariffs. If there is a technical problem with the vehicle or illness of the driver specified on the order, and changes must be made due to safety reasons. Brent Oil (Pty) Ltd may charge an administration fee to affect any changes to the documentation.

4. **CONTRACTUAL TERMS AND CONDITIONS FOR PAYMENT**

Contractual terms and payment processes shall be handled according to the approval of the NERSA tariff once it has been approved.

This document outlines the framework for the throughput Brent Oil (Pty) Ltd agreement to be entered into between Brent Oil (Pty) Ltd as the host and a third party tenant.

Payment must be made by electronic transfer or Internet payment only.

Payment for storage will be upfront with no exceptions made.

It is the responsibility of the 3rd party to arrange their own cover for insurance, liability and other cost.

A third party seeking to utilize the storage facilities of Storm Crow Ten CC must provide the proof that a Wholesale licence was issued by the Department of Energy and valid.

5. TECHNICAL REQUIREMENTS FOR ACCESS TO THE STORAGE FACILITY

The following technical requirements must be complied with:

The vehicle delivery or collecting product to or from the Storage facility must comply with the:

National Road Traffic Act;

National Road Traffic Act Regulations;

Hazardous Substances Act;

Be trained into the handling of Dangerous Goods;

Have a valid Hazchem certificate;

Received training – safe working procedure in the loading and off loading of a bulk vehicle at a storage facility and induction on site.

Any other local or National standards required by law not stated above.

Drivers must provide proof of training done in accordance by law on transportation of dangerous goods.

Training must be done by a training body approved by the Department of Transport.

Any 3rd party must received the training in the loading and off loading of a bulk vehicle at a storage depot of Storm Crow Ten CC.

6. PROCESS TO BE FOLLOWED BY THIRD PARTIES WHEN REQUESTING ACCESS

- a) Third parties are requested to make written representation of their requirements and a telephonic appointment must be made before a visit to the petroleum storage facility.
- b) Information required will be the type and volume of product required together with the company of third party details and the time frame in which the product is to be procured.
- c) The duration of supply and quantity per order will need to be stipulated.

d) Documents required are all company/ CK documents V.A.T registration documents and directors ID copy with any other relevant information to assess the third history and details.

Applicants must be registered as Wholesalers of Petroleum Product as set out in the Petroleum Product Act 120 of 1977.

7. CONCLUSION

A written copy of the mechanism will be kept at the licences storage facility to enable to understand the procedure for obtaining access to the facility.

All applications and correspondence are to be addressed to:

The Operator: Brent Oil (Pty) Ltd
5 Hargan Street;
Jet Park
Johannesburg
Gauteng

Tarina Pretorius / CJ Botha
tarina@brentoil.co.za / cj@brentoil.co.za
086 5141 502 (fax)

Correspondence can be done via email, registered mail or fax

Applications will be answered with 21 days of receipt thereof.
Storm Crow Ten CC (landlord) and Brent Oil Pty Ltd (operator) reserves the right to make changes to the document from time to time as procedures and circumstances change.