

NERSA Presentation 25 November 2014



Key facts about Gulfstream Energy (Pty) Ltd



- *Established in 2010*
- *100% black women owned*
- *Led by a team with combined experience of over 100 corporate years across the most prominent areas of the petroleum value chain*
- *Supplies around 1% of South Africa's fuel (over 20m litres per month) through 26 depots and refineries countrywide, making it one of SA's leading independent fuel wholesalers*
- *Existing access to fuel supply from all seven majors, but completely at their mercy*
- *Member of SAPIA*
- *No current storage but own transport capability*
- *Pioneered industry leading systems such as the Gulfstream Trade Platform (GTP) integrated to SAP*
- *14 branded service stations*
- *Employs 26 people*
- *Recently awarded the Transnet contract to supply all SA's ports with 500ppm diesel*
- *Plans to expand infrastructure and staff complement in the Western Cape and KzN (Burgan 3-year throughput deal of 120m litres per annum key to planned expansion)*

Current sourcing and supply Structure



Upstream



Gulfstream

Downstream



Retail

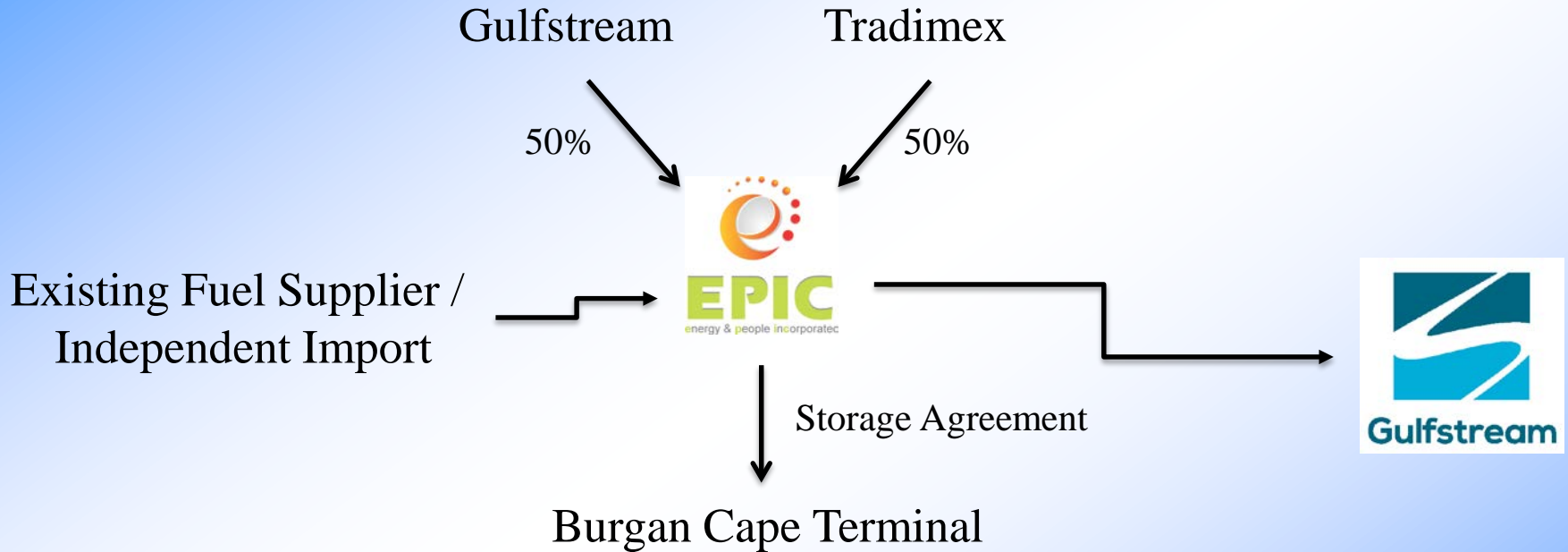


End User

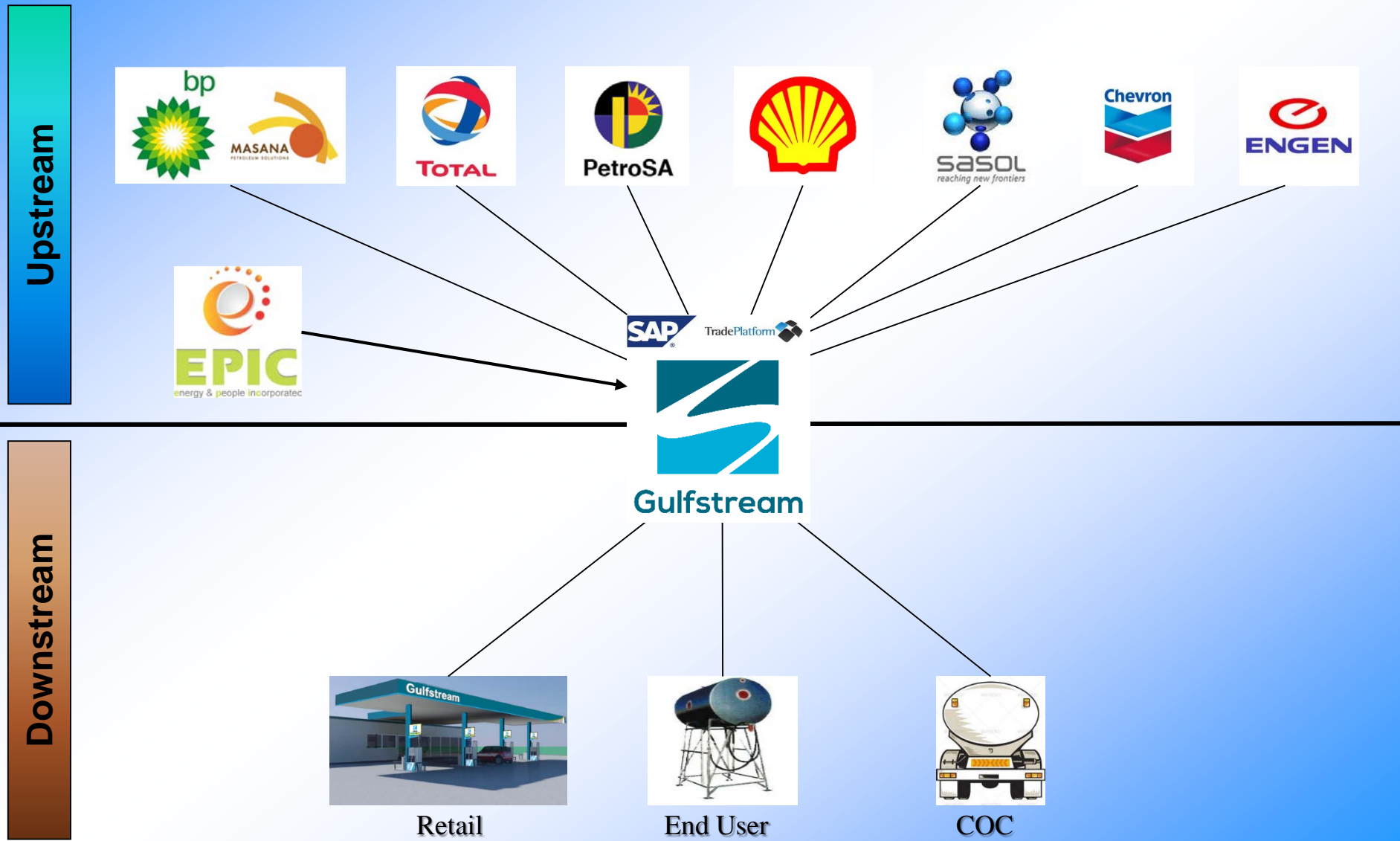


COC

Throughput contract through EPIC (JV with Tradimex)



Future sourcing and supply Structure



Upstream

Downstream

Highlights of our operating model



“In a high turnover / high risk, but low margin environment one has to tread very, very carefully”

- **Safety must remain paramount**
- **A zero-fat, low cost / efficient operation is an absolute necessity**
- **Avoiding credit risk is not optional i.e. cash is King or Queen (as the case may be)**
- **Demonstrating credibility, speed, flexibility, responsiveness and price competitiveness attracts customers**
- **Reliability of supply allows you to retain customers**
- **Failure to grow sales will result in death unless margins can be improved – access to storage and better transfer pricing is therefore key to the sustainability of independent wholesale businesses**

Gulfstream's operating model



Corporate

- Suppliers (“upstream”)
- Systems / IT
- Suits and ties
- Boardrooms
- Dining
- Associations
- Marketing
- Knowledge / Intelligence Worker

Industrial

- Customers (“downstream”)
- Products
- Distribution
- Trucks
- Pumps
- Tanks
- Installations
- Technical Worker



What the deal means for Gulfstream and others



- Provides sustainable, reliable and scalable storage options
- Will allow wholesalers to grow and invest in a space which is naturally opening up in the market without “fear or favour”, given that Burgan is also INDEPENDENT
- Fosters competition and creates the potential to lower the cost and improve service to the fuel consumer
- Will facilitate cleaner fuels into the Western Cape market
- Will improve reliability of fuel supply into Western and Northern Cape Markets – key to facilitating economic growth
- Will therefore serve as a catalyst promoting the natural transformation of the SA petroleum industry and speed up B-BBEE
- Through this deal Gulfstream will be able to invest in a distribution centre in the Western Cape and double its employee base by 2020

What the deal means for Gulfstream and others



“As a BEE company, we understand our responsibility to grow others as we grow”



Broccoli is grown!



A young Engineer at Caltex in 1991



Thank you

