

Licence Number: PPL.sf.F1/215/2015

LICENCE FOR THE CONSTRUCTION OF A PETROLEUM STORAGE FACILITY.

This licence is issued by the National Energy Regulator, hereinafter referred to as “the Energy Regulator”, in terms of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

This licence is issued to

Engen Petroleum Limited


(Company Registration No: 1989/003754/06)

hereinafter referred to as “the Licensee”. This licence is only for the purpose of construction of storage facility at:

282 Alwyn Street, Waltloo, Pretoria, Gauteng Province

The construction of a petroleum storage facility permitted under this licence is subject to the terms and conditions as contained in this licence and/or amendments to these conditions as imposed by the Energy Regulator.

Issued at **Pretoria** on the 1st day of **March 2016**.


MR PASEKA NKU
ACTING CHIEF EXECUTIVE OFFICER
NATIONAL ENERGY REGULATOR



LICENCE FOR THE CONSTRUCTION OF PETROLEUM STORAGE FACILITY

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DEFINITIONS

In these licence conditions any word or expression to which a meaning has been assigned in the Act shall have the meaning so assigned, unless the context indicates otherwise:

“**Act**” means the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) and includes Regulations;

“**authorised person**” means authorised person as defined in the Rules;

“**commencement date**” means the date contemplated in condition 2.

“**licensed activity**” means the activity contemplated in condition 1 of these conditions;

“**Regulations**” means Regulations made in terms of sections 33(1) and 33(2) of the Act;

“**Rules**” means Rules made by NERSA in terms of section 33(3) of the Act.

CHAPTER ONE: LICENSED ACTIVITY

1. Licensed Activity

- 1.1 The Energy Regulator grants the Licensee a licence to construct additional storage tanks at its existing storage facility located at **282 Alwyn Street, Waltloo, Pretoria, Gauteng Province** (GPS coordinates: 25°43'29.73"S 28°18'59.69"E), as detailed in table 1 of **Annexure B: Facility Details**.
- 1.2 This licence is issued to the licensee for the construction of the facility contemplated in paragraph 1.1 for the storage of petroleum products only.
- 1.3 The location and overall site layout for the facility is shown in **Annexure A: Site Layout**.
- 1.4 The details of the facility to be constructed are provided in **Annexure B: Facility Details**.
- 1.5 The project schedule is included as **ANNEXURE C: Project Phases and Activities**

2. Commencement and Duration of Licence

- 2.1 This licence commences on the date of issue reflected on the licence certificate.
- 2.2 This licence is valid for a period of 25 (twenty-five) years from the commencement date.
- 2.3 The Licensee may, in accordance with the Act and the Rules, apply for an amendment or renewal of the licence.

CHAPTER TWO: GENERAL CONDITIONS

3. General Conditions of Licence

Sections 20(1) (a), (b), (c), (d), (e), (n), (o), (p), (r), (s), (t), (u), (v), (w), (x), (aa) and (bb) of the Act are conditions of this licence.

4. Compliance with Conditions of Licence

The Licensee must comply with all conditions of this licence.

5. Compliance with Legislation, Construction Codes and Standards

5.1. The Licensee must comply with all applicable legislation, construction codes and standards, including those listed in **Annexure D – Legislation, Codes and Standards**.

6. Amendment of Licence

- 6.1. This licence may only be amended in accordance with the Act and the Rules.
- 6.2. The Energy Regulator may temporarily change these licence conditions in an emergency.

7. Revocation of Licence

- 7.1. This licence may only be revoked in accordance with the Act and the Rules.
- 7.2. Should the licensee fail to commence construction of the facility within the time period contemplated in condition 12.1, the licensee must within 15 calendar days of the lapse of that time period, apply to the Energy Regulator for the revocation of this licence.

8. Changes in Details of the Licensee

- 8.1. The Licensee must, within 30 (thirty) days of changes in its control as contemplated in section 12(2) of the Competition Act, 1998 (Act No. 89 of 1998), notify the Energy Regulator of such changes.
- 8.2. The Licensee must, within 14 (fourteen) days of any change in its registered name, operating or trading name, registered address or other contact details, notify the Energy Regulator of such a change.

9. Changes to the Facilities

- 9.1. When approached by interested parties, the Licensee must negotiate for changes in the capacity of the facility to be constructed. The cost of such changes must be shared equitably between the Licensee and the party requesting the change.
- 9.2. Any changes to the facility to be constructed that, in terms of the Act, may require an amendment or revocation of this licence, or a new licence, must not be effected until the Energy Regulator has amended or revoked this licence or issued a new licence.
- 9.3. Changes to the facility must be made in accordance with applicable legislation, codes and standards including those listed in **Annexure D - Legislation, Codes and Standards**.

10. Correspondence with NERSA

- 10.1. All official communication with the Energy Regulator must be in writing and must be addressed to the Chief Executive Officer and copied to the Regulator Member Primarily Responsible for Petroleum Pipeline Regulation.
- 10.2. The Licensee must, in all correspondence with the Energy Regulator, quote the licence number as it appears on the licence certificate.

CHAPTER THREE: SPECIFIC CONDITIONS

11. Commencement and Completion of Construction

- 11.1. Construction of the facilities must commence within six (6) calendar months from the date of issue of this licence.
- 11.2. The Licensee must prior to the commencement of the construction of the facilities:
 - (a) provide the Energy Regulator with:
 - (i) the detailed final engineering design drawings for the storage facility; and
 - (ii) revised project schedule, if applicable.
 - (b) notify the Energy Regulator of the date on which construction will commence.
- 11.3. The construction of the facilities must be completed and ready for operation within thirty six (36) months of the commencement of the construction date contemplated in condition 11.2(b).

12. Information for Monitoring Purposes

- 12.1. The Licensee must provide the Energy Regulator with reports on progress in the construction of the storage facility, after every six calendar months from the date of issue of the licence.
- 12.2. The reports contemplated in condition 12.1 above, must be submitted within seven (7) days from the last day of every six calendar month period.
- 12.3. The first progress report must be submitted within seven (7) days of the last day of the six calendar months calculated from the date of issue of this licence.
- 12.4. The reports contemplated in condition 12.1 above must provide updates on:

- (a) progress towards and award of all Engineering Procurement and Construction contracts;
- (b) any negotiations contemplated in sections 20(1)(n) and 20(1)(o) of the Act;
- (c) activities in the construction of the facilities compared to the project plan schedule contained in **Annexure C - Project Phases and Activities** (where there have been changes to the project schedule, the updated project plan must be submitted with the progress report); and
- (d) any other related matter.

12.5. Upon completion of construction of the facilities, the Licensee must:

- (a) provide the Energy Regulator with:
 - (i) the as-built maps, drawings, diagrams and schedules, identifying any deviations and differences from **Annexures A, B, C and D**, and must provide reasons for such deviations and differences;
 - (ii) the final audited costs of construction of the facilities; and
 - (iii) a certificate or confirmation from a competent authority certifying or confirming that the facilities are fit for operation.

13. Regulatory Reporting

The Licensee must comply with volume 1 and volume 4 of the Energy Regulator's Regulatory Reporting Manuals published under GN 1118 in *Government Gazette* No. 31392 of 10 September 2008, which may be amended by the Energy Regulator from time to time.

14. Entry, Inspection and Gathering of Information

The Licensee must, in a manner prescribed by the Rules, permit any authorised person to enter and inspect any property on which the licensed activity is taking place.

15. Provision of Information to the Energy Regulator

The Licensee must on request from the Energy Regulator, provide all other information the Energy Regulator may require to perform its functions under the Act.

16. Ancillary Obligations

The Licensee is responsible for compliance with these licence conditions regarding any work on the facilities or services that are the subject of this licence and/or that are subcontracted to other parties.

17. Whole Licence

This licence constitutes the entire licence and supersedes any prior understandings and agreements between the Licensee and the Energy Regulator.

ANNEXURE A: PROPOSED PLAN LAYOUT

ANNEXURE B: FACILITY DETAILS

The details of storage to be constructed are highlighted in yellow in Table 1 below:

Table 1: Proposed Tank Capacities and Allocation

TANK ID	TANK TYPE	PRODUCT	DIAMETER (m)	HEIGHT (m)	OPERATIONAL CAPACITY (m ³)	DESIGN CAPACITY (m ³)
754	External Floating Roof	Petrol	21.34	12.81	4 124	4 582
755	External Floating Roof	Diesel	15.24	12.80	2 101	2 335
840	External Floating Roof	Diesel	16.49	12.80	2 460	2 734
839	Internal Floating Roof	Kerosene	11.09	9.75	847	942
841	Internal Floating Roof	Petrol	25.57	14.60	6 750	7 500
842	Vertical Free Vent	Diesel	25.57	14.60	6 750	7 500
838	Internal Floating Roof	Petrol	11.09	9.75	847	942
New	Vertical Free Vent	Diesel	30.00	14.40	9 161	10 179
New	Internal Floating Roof	Petrol	30.00	14.40	9 161	10 179
TOTAL					42 201	46 893

Table 2: Mode of Operation

INTAKE		DISCHARGE	
MODE	RATE (m ³ /hour)	MODE	RATE (m ³ /hour)
Pipeline	600	Road	108

ANNEXURE D: LEGISLATION, CODES AND STANDARDS

The Licensee must comply with all relevant codes and standards including the following submitted in its licence application

- SANS 10089-1: 2008 The petroleum industry part 1; Storage and distribution of petroleum products in above-ground bulk installations.
- SANS 10105: The use and control of fire fighting equipment.
- SANS 10089-2: 2008 The petroleum industry part 2; Electrical and other installations in the distribution and marketing sector.
- SANS 10108: 2005 The classification of hazardous locations and the selection of apparatus for use in such locations.
- SANS 10142-1: 2008 The wiring of premises.
- SANS 10123: 2001 The control of undesirable static electricity.
- IEC 60331: Fire resisting characteristics of electrical cables
- IEC 60332: Test on electrical cables under fire conditions
- IEC 60529: Degrees of protection provided by enclosures
- IEC 60540: Test method for insulation and sheaths of electrical cables and cords
- IEC 61000: Electromagnetic compatibility
- IEC 61508: Functional safety: Safety related systems
- IEC 61508 Functional safety of electrical/electronic/programmable electronic safety related systems.
- IEC 61511 Functional safety – Safety instrumented systems for the process industry sector.
- API 6D: Pipeline valves
- API 14C: Manual of petroleum measurement standards
- API RP 520, Part 2: Guide for pressure-relieving and de-pressuring systems
- API RP 521: Flanged safety-relief valves
- API RP 551: Process measurement instrumentation
- API 650: Welded Steel Tanks for Oil Storage.
- API 653: Aboveground Storage Tanks inspection, repair, alteration and reconstruction.
- API 2350: Overfill protection for storage tanks in petroleum facilities.

- BS EN 14015 Specification for the Design and Manufacture of Site Built, Vertical, Cylindrical, Flat-bottomed, Aboveground, Welded, Steel Tanks for the Storage of Liquids at Ambient Temperature and Above.
- EEMUA publication number. 159 Users guide to the inspection, maintenance and repair of aboveground vertical cylindrical steel storage tanks.

The Licensee must also comply with all other relevant legislation, including but not limited to the following:

- Occupational Health and Safety Act, 1993 (No. 85 of 1993).
- The National Environmental Management Act, 1998 (No. 107 of 1998).
- The Environment Conservation Act, 1989 (Act No.73 of 1989).
- The National Water Act, 1998 (No. 36 of 1998).
- The Water Services Act, 1977 (No. 108 of 1977).
- National Environmental Management Air Quality Management Act, 2004 (No. 39 of 2004).
- The Hazardous Substances Act, 1973 (No. 15 of 1973)
- The National Health Act, 2003 (No. 61 of 2003).
- The National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977).
- NRS Quality of supply standards.