

Licence Number: PPL.p.F1/326/2018

LICENCE FOR THE CONSTRUCTION OF A PETROLEUM PIPELINE 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

Sasol Oil (Pty) Ltd

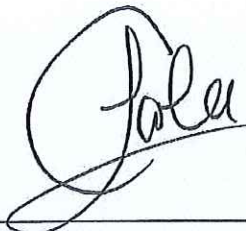
(Company Registration No: 1981/007622/07)

hereinafter referred to as "the Licensee". This licence is only for the purpose of construction of a petroleum pipeline facility located at:

Island View in the Port of Durban, KwaZulu-Natal

The construction of the petroleum pipeline 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 this 19th day of JUNE 2018.



CHRIS FORLEE
CHIEF EXECUTIVE OFFICER
NATIONAL ENERGY REGULATOR



LICENCE FOR THE CONSTRUCTION OF A PETROLEUM PIPELINE FACILITY

DEFINITIONS	3
CHAPTER ONE: LICENSED ACTIVITY	4
1. Licensed Activity	4
3. General conditions of License	4
4. Compliance with Conditions of Licence.....	4
5. Compliance with Legislation, Codes and Standards	5
6. Amendment of Licence.....	5
7. Revocation of Licence.....	5
8. Changes in Details of the Licensee.....	5
9. Changes to the Storage Facility	6
10. Correspondence with the National Energy Regulator	6
CHAPTER THREE: SPECIFIC CONDITIONS	7
11. Commencement and Completion of Construction.....	7
12. Information for Monitoring Purposes	7
13. Regulatory Reporting	8
14. Entry, Inspection and Gathering of Information.....	9
15. Provision of Information to the Energy Regulator.....	9
16. Ancillary Obligations.....	9
17. Whole Licence.....	9
ANNEXURE A: Proposed Site Layout and Pipeline Route	10
ANNEXURE B: Proposed Facility Details	11
ANNEXURE C: Legislation, Codes and Standards	12
ANNEXURE D: Project Plan Schedule	14

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 the Regulations;

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

“GPS” means Global Positioning System

“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 the National Energy Regulator in terms of section 33(3) of the Act.

“NMPP” Transnet SOC Limited’s New Multi-Product Pipeline

CHAPTER ONE: LICENSED ACTIVITY

1. Licensed Activity

- 1.1 The Energy Regulator grants Sasol Oil (Pty) Ltd a licence to construct a petroleum pipeline facility located in Island View at the port of Durban, KwaZulu-Natal (site GPS coordinates, Inlet: -29.891403, 31.020869, Outlet: -29.894361, 31.021854).
- 1.2 The location, pipeline routing and GPS coordinates for the pipeline layout for the facility is shown in **Annexure A: Aerial Photo of Sasol Oil proposed pipeline route.**
- 1.3 Details of the pipeline facility are provided in **Annexure B: Proposed Pipelines Details.**

2. Commencement and Duration of Licence

- 2.1. This Licence is valid for a period of 25 years, commencing on the date of issue.
- 2.2. The licensee may, in accordance with the Act and Rules, apply for the renewal of the licence.

CHAPTER TWO: GENERAL CONDITIONS

3. General conditions of License

Sections 20(1)(a),(b), (c), (d), (e), (f), (g), (h), (i), (j), (t), (u), (v), (w) , (y), (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, Codes and Standards

5.1. The Licensee must comply with all applicable legislation, codes and standards, including those listed in **Annexure C- Legislation, Construction Codes and Standards.**

6. Amendment of Licence

6.1. This licence may only be amended in accordance with the provisions of 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 provisions of the Act and the Rules.

7.2. Should the licensee fail to commence with the construction of the facility within the time period contemplated in condition 11.1, the licensee must within 15 calendar days of the elapse 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 National Energy Regulator of such changes.

8.2. The Licensee must, within 14 days of any change in its registered name, operating or trading name, registered address and other contact details, notify the Energy Regulator of such a change.

9. Changes to the Storage Facility

- 9.1. When approached by interested parties, the Licensee must negotiate for changes in the capacity of the storage 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 storage facility must be made in accordance with applicable legislation, codes and standards including those listed in **Annexure C - Legislation, Construction Codes and Standards.**

10. Correspondence with the National Energy Regulator

- 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. The Licensee must commence with the construction of the pipeline facility within eighteen (18) months of the date of issue of this licence.
- 11.2. The Licensee must prior to the commencement of the construction of the facility:
 - (a) Provide the Energy Regulator with the final, revised engineering design drawings for the facility, if any changes took place since the licence application was submitted; and
 - (b) Notify the Energy Regulator of the date on which construction will commence and provide a revised project schedule, (see **Annexure D- Project Schedule**).
- 11.3. The construction of the facility must be completed and ready for operation within twenty four (24) 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 progress 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 months.
- 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 section 20(n) and 20(1)(o) of the Act;
 - (c) progress in the construction of the facility compared to the project plan schedule contained in **Annexure D** (where there have been changes to the project plan schedule, the updated project plan must be submitted with the progress report);
 - (d) proof of compliance to the conditions of the environmental authorisation issued by the relevant authority; and
 - (e) any other related matter.
- 12.5. Upon completion of construction of the facility, the Licensee must:
- (a) provide the Energy Regulator with:
 - (i) the as-built maps, drawings, diagrams and schedules, identifying any deviations and differences from **Annexure A** and must provide reasons for such deviations and differences; and
 - (ii) a certificate or confirmation from a competent authority certifying or confirming that the facility is fit for operation.
 - (b) The final audited costs of construction of the facility, within (3) months from the end of the Licensee's financial yearend.

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 by the Energy Regulator, provide all other information the National Energy Regulator may require to perform its functions under the Act.

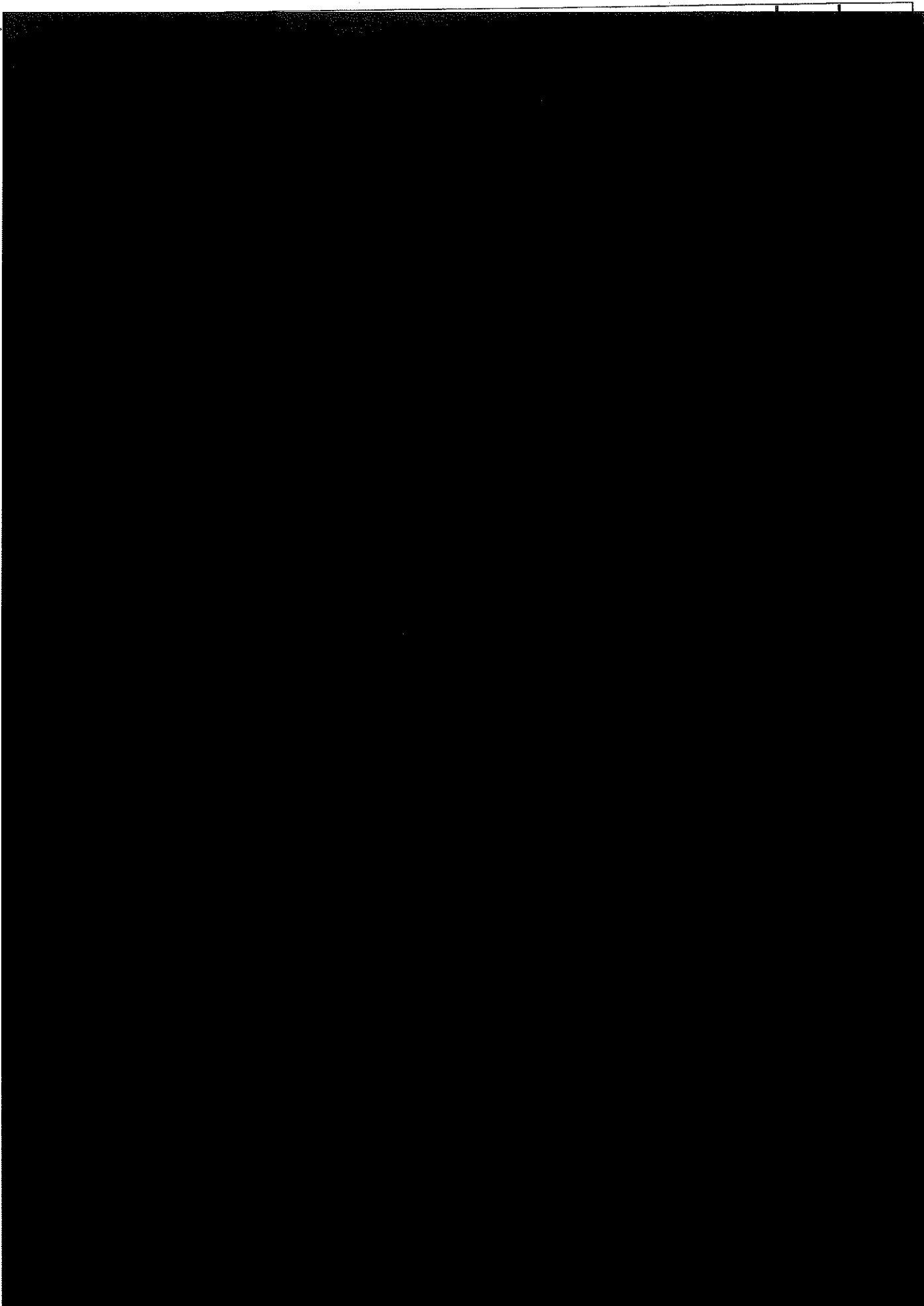
16. Ancillary Obligations

The Licensee is responsible for compliance with these licence conditions regarding any work on the facility 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 National Energy Regulator.

ANNEXURE A: Proposed Site Layout and Pipeline Route



ANNEXURE B: Proposed Facility Details

Table 1: Facility Details

Diameter (inch)	Length (m)	Design Flow Rate (m ³ /hr)	Start	Finish	Flow direction/ rate	Product Type
16	≈2 000	1320	NATCOS Site 1	NMPP TM1	Uni-directional	AGO
16	≈2 000	1320	NATCOS Site 1	NMPP TM1	Uni-directional	ULP

ANNEXURE C: Legislation, Codes and Standards

The following Sasol specifications are referenced for this project:

- SP-30-02 - Design Specification for Buildings.
- SP-40-07 - Safeguarding of Machinery.
- SP-41-01 - Steel Storage Tanks.
- SP-41-03 - Purchase Specification for Low Pressure Storage Tanks.
- SP-46-01 - Centrifugal Pumps for Petroleum, Heavy Duty Chemical and Gas Industry Services.
- SP-46-03 - Horizontal End Suction Centrifugal Pumps for Petroleum, Chemical and Gas Industries.
- SP-46-08 - Positive Displacement Pumps – Rotary.
- SP-46-11 - Induction and Synchronous Motors.
- SP-46-18 - Shaft Sealing Systems for Centrifugal and Rotary Pumps.
- SP-46-100 - Standard Requirements for All Pumps, Drivers and Auxiliary Equipment.
- SP-50-03 - Piping Design and Fabrication.
- SP-50-3A - Piping Material Specification (including line classes).
- SP-50-05 - Internal Cleaning and Protection of Piping.
- SP-50-06 - External Protection of Underground Steel Pipe.
- SP-50-10 - Purchase Specification for Valves.
- SP-50-11 - Purchase Specification for Pipes.
- SP-50-12 - Purchase Specification for Pipe Fittings.
- SP-50-15C - Purchase Specification for Miscellaneous Piping Components – Strainers and Filters
- SP-50-26 - Purchase Specification for Pressure Relieving Devices.
- SP-50-34 - Purchase Specification for Electrical Actuators for Valves.
- SP-60-01 - General Electrical Specification.

- SP-60-03 - 3,6 kV / 7,2 kV / 12 kV Distribution Switchgear and Motor Control Gear.
- SP-60-04 - Low Voltage Switchgear and Controlgear Assemblies.
- SP-60-08 - Battery and Battery Charger.
- SP-60-14 - Neutral Earthing Resistors.
- SP-60-35 - Earthing Systems.
- SP-60-46 - Electrical Specification for Small Power and Lighting Installations.
- SP-60-49 - MV Power Factor Correction and Filter Equipment.
- SP-60-51 - Electrical Installations.
- SP-60-55 - Medium Voltage AC Variable Speed Drives and Combined Soft Start and Variable Speed Drives.
- SP-70-02 - Instrument Installation Design, Layout and Drawings", Figure 11.
- SP-70-36 - General Specification for Plant Fire and Gas Warning Systems.
- SP-80-02 - Protective Coatings
- SP-90-02 - Welding of Metallic Piping
- SP-90-02A - Requirements for Metallic Fabricated Piping per Line Class.
- SP-90-24 - Tag Numbering For Equipment, Buildings, Sewers, Structures and Piping Line Numbers
- SP-90-32 - Minimum Requirements for Sasol Engineering Drawings.
- SP-90-32F - Machinery (Drivers, Centrifugal, Rotary and Reciprocating Compressors and Pumps).

ANNEXURE D: Project Plan Schedule

