

Licence Number: PPL.sf.F1/102/2011

**LICENCE FOR THE CONSTRUCTION OF A PETROLEUM STORAGE FACILITY
AND LOADING FACILITY**

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

This licence is issued to

OILTANKING GRINDROD CALULO (PTY) LTD

(Company Registration No: 2008/025681/07)

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

**OILTANKING GRINDROD CALULO TERMINAL, ZONE 8, COEGA INDUSTRIAL
DEVELOPMENT ZONE, PORT OF NGQURA,
PORT ELIZABETH, EASTERN CAPE**

The construction of the petroleum facilities 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 NERSA.

Issued at Pretoria on this 14th day of December 2011.



CHIEF EXECUTIVE OFFICER



COMBINED LICENCE FOR THE CONSTRUCTION OF PETROLEUM STORAGE AND LOADING FACILITIES

DEFINITIONS	3
CHAPTER ONE: LICENSED ACTIVITY	4
1. Licensed Activity	4
2. Commencement and Duration of Licence.....	5
CHAPTER TWO: GENERAL CONDITIONS	6
3. General Conditions of Licence.....	6
4. Compliance with Conditions of Licence	6
5. Compliance with Legislation, Operation Codes and Standards	6
6. Amendment of Licence	6
7. Revocation of Licence	6
8. Changes in Details of the Licensee	7
9. Changes to the Facilities	7
10. Correspondence with NERSA	7
CHAPTER THREE: SPECIFIC CONDITIONS	8
11. Commencement and Completion of Construction	8
12. Information for Monitoring Purposes.....	9
13. Regulatory Reporting.....	10
14. Entry, Inspection and Gathering of Information	10
15. Provision of Information to NERSA.....	10
16. Ancillary Obligations	11
17. Whole Licence	11
ANNEXURE A: Overall Plot Plan with Jetty	12
ANNEXURE B: Tank Details	14
ANNEXURE C: Loading Facility and Auxiliary Pipeline Details	15
ANNEXURE D: Legislation, Codes and Standards.....	17
ANNEXURE E: Project Schedule	19

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.

ACRONYMS

“**OTGC**” means Oiltanking Grindrod Calulo (Pty) Ltd

“**IDZ**” means Industrial Development Zone

“**mogas**” means motor gasoline or petrol

“**ULP**” means Unleaded Petrol

“**DR**” means domed roof (tank type)

“**IFR**” means internal floating roof (tank type)

“**DWT**” means deadweight tonnage of the ship

CHAPTER ONE: LICENSED ACTIVITY

1. Licensed Activity

1.1 NERSA grants the Licensee a combined licence to construct:

(a) a petroleum products storage facility and auxiliary equipment (“the storage facility”) located at: **Oiltanking Grindrod Calulo Terminal, Zone 8, Coega IDZ, Port of Ngqura, Port Elizabeth, Eastern Cape** as follows:

- i. storage tanks comprising of:
 - a. nine, domed roof tanks; and
 - b. eight, internal floating roof tankswith a combined storage capacity of approximately 233,411m³ (see Annexure B)
- ii. a road truck loading facility with nine loading bays capable of loading multiple products simultaneously and handling an estimated 80 trucks per day;
and
- iii. auxiliary infrastructure including pump sets, fire fighting system, control room and a safety containment system.

(b) a petroleum products loading facility and auxiliary pipelines (“the loading facility”), located at **Berth B100, Port of Ngqura, Port Elizabeth, Eastern Cape** as follows:

- i. four, 12 inch diameter marine loading arms capable of handling an average of nine vessels (40,000 DWT¹) a month;
- ii. three, 24 inch diameter and approximately 3 kilometres long berth pipelines between the berth B100 and the storage facility, with bi-directional flow possible, and capable of a

¹ Average vessel size of 40,000 deadweight tonnage

maximum design flow rate of 3000 m³/hour; with an average achievable transfer rate for each of the loading arms ranging from 350 to 1000 m³/hour depending on the product and vessel (see Annexure C); and

- iii. auxiliary infrastructure in the berth area including fire fighting equipment;

together referred to as “**the facilities**”.

- 1.2 This licence is issued to the licensee for the construction of the facilities contemplated in paragraph 1.1 for the loading and off-loading and storage of and of petroleum products only.
- 1.3 The generic flow scheme or layout for the facilities is detailed in **Annexure A – Overall Plot Plan with Jetty**.
- 1.4 Details of the storage facility and the products to be handled are provided in **Annexure B – Tank Details**.
- 1.5 Details of the loading facility are provided in **Annexure C – Loading Facility and Auxiliary Pipeline Details**.

2. Commencement and Duration of Licence

- 2.1 This licence commences on the date of issue of this licence.
- 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), (g), (h), (i), (j), (l), (k), (l), (m), (n), (o), (p), (r), (t), (u), (v), (w), (y), (z), (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, Operation Codes and Standards

- 5.1. The Licensee must comply with all applicable legislation, operation codes and standards, including those listed in **Annexure D – Legislation, Operation 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. NERSA 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 facilities 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 NERSA 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 NERSA 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 NERSA 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 facilities 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 facilities 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 NERSA has amended or revoked this licence or issued a new licence.
- 9.3. Changes to the facilities must be made in accordance with applicable legislation, codes and standards including those listed in **Annexure D - Legislation, Construction Codes and Standards**.

10. Correspondence with NERSA

- 10.1. All official communication with NERSA 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 NERSA, 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:

- (a) 6 months of the date that NERSA confirms in writing that it has received from the licensee proof that the licensee has the necessary authorisation from the TNPA to construct the licensed activities; or
- (b) 6 months from the receipt by the Licensee of a final positive Record of Decision from the relevant environmental authorities in accordance with the National Environmental Management Act, 1998 (Act No. 107 of 1998) permitting the activities for which this licence is granted

whichever is the latter and in any event within twenty four (24) calendar months of the date of issue of this licence.

11.2. The Licensee must prior to the commencement of the construction of the facilities:

- (a) provide NERSA with:
 - (i) a copy of a record of decision by the appropriate authorities on the Environmental Impact Assessment study for the licensed activity;
 - (ii) the final and detailed facilities engineering design drawings for the facilities;
 - (iii) the final maps showing the location and layout of the facilities.
- (b) notify NERSA of the date on which construction will commence and provide the revised project schedule.

11.3. The construction of the facilities must be completed and ready for operation within twenty four months of the commencement of construction date contemplated in condition 11.2(b).

12. Information for Monitoring Purposes

12.1. The Licensee must provide NERSA with progress reports 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) the progress made in the acquisition of land or any right in, over or in respect of land necessary for the licensed activity, including details on all negotiations that have been concluded and that are underway, planned or stalled or progress made in the acquisition of the TNPA authorisation for the construction and operation of the facilities;
- (c) the progress made in obtaining a Record of Decision from the relevant environmental authorities for the construction of the facilities;
- (d) any negotiations contemplated in sections 20(1)(k), 20(1)(l), 20(n) and 20(1)(o) of the Act;
- (e) progress in the construction of the facilities compared to the project plan schedule contained in **Annexure D - Project**

Schedule (where there have been changes to the project schedule, the updated project plan must be submitted with the progress report); and

(f) any other related matter.

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

(a) provide NERSA 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 NERSA's Regulatory Reporting Manuals published under GN 1118 in *Government Gazette* No. 31392 of 10 September 2008, which may be amended by NERSA 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 NERSA

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

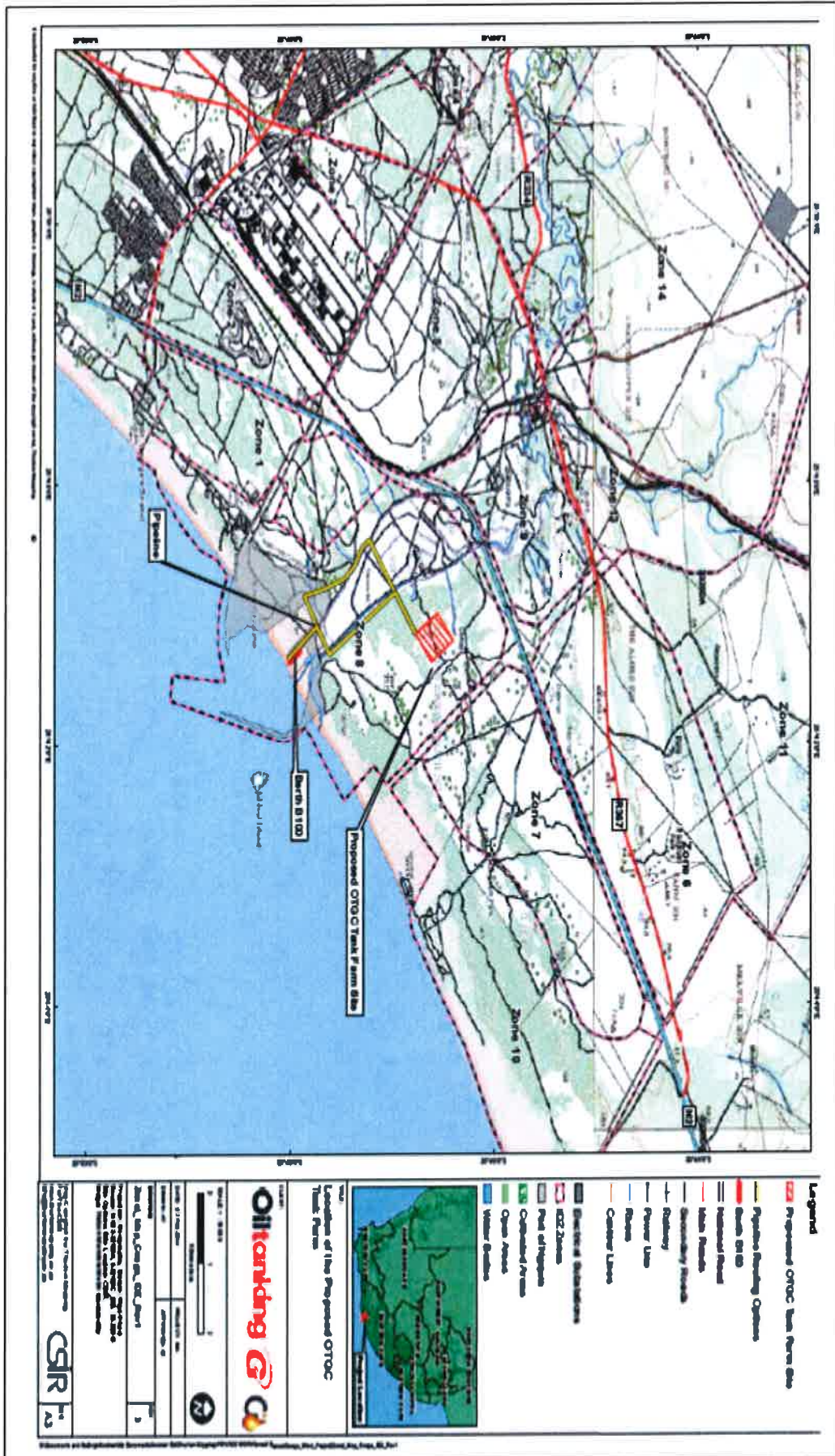
16. Ancillary Obligations

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 NERSA.

ANNEXURE A: Overall Plot Plan with Jetty



ANNEXURE B: Tank Details

Table B-1: Tanks - Phase 1

Tank Identification	Tank Type	Quantity (#)	Design Capacity Ea (m ³)	Diam. (m)	Height (m)	Product Type
	IFR	3				Mogas
	DR	3				Diesel
	DR	2				Fuel Oil
	DR	2				Jet Fuel
	IFR	3				Mogas
	IFR	2				Mogas
	DR	2				Diesel
Combined capacity:		17	233,411			

Notes:

1. Tank T-YY1 is used for water and will not be included in the licensed storage capacity
2. IFR: Internal Floating Roof; DR: Domed Roof
3. **Since the facility is deemed a National Key Point, the information has been blanked out**

ANNEXURE C: Loading Facility and Auxiliary Pipeline Details

Table C-1: Marine Loading Arms

Identification	Diameter (inch)	Design Capacity (m ³ /hr)	Product	Average Operational Capacity (m ³ /hr)
	12	3,000	Mogas	
			Diesel	
	12	3,000	Mogas	
			Diesel	
	12	3,000	Jet A-1	
	12	3,000	Fuel Oil	

For Piping diagram, refer to attached Drawing No. Confidential.

Drawing removed due to deemed confidential

ANNEXURE D: Legislation, Codes and Standards

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

International Codes and Standards

The design shall comply with the applicable sections of the latest editions of the

Engineering Codes and Standards listed below:

Document No:	Document title
API 6D	Pipeline Valves
API 14 C	Manual of Petroleum Measurement Standards
API MPMS	Sizing, Selection and Installation of Pressure-Relieving Devices in Refineries, Sizing and Selection
API RP 520, Part I	Sizing, Selection and Installation of Pressure relieving Devices in Refineries, Installation
API RP 520, Part II	Guide for Pressure-Relieving and De-Pressuring Systems
API RP 521	Flanged Safety-Relief Valves
API RP 526	Flanged Safety-Relief Valves
API RP 527	Commercial Seat Tightness of Safety Relief Valves with Metal to Metal Seats.
API RP 551	Process Measurement Instrumentation
API 607	Fire Test for Soft Seat Quarter Turn Valves
ANSI B 16.5	Pipe Flanges and Flanged Fittings
ANSI B16.10	Face to face dimensions for flanged globe style control valves
ANSI/FCI 70.2	Control Valve Seat Leakage
ANSI/ISA 55.1	Instrumentation Symbols and Identification
ANSI/ISA 75.01	Flow Equations for Sizing Control Valves
ATEX 94/9/EC	Equipment Intended for use in Potentially Explosive Atmospheres
BS 5308	Instrumentation Cables – Specification for PVC Insulated Cables
BS 5555	SI Units
BS 6174	Differential Pressure Transmitters with Electrical Output
BS-EN-60751	Industrial Platinum Resistance Thermometer Sensors
BS-EN-837-1	Bourdon Tube Pressure and Vacuum Gauges
IEC 60079	Electrical Apparatus for Explosive Gas Atmospheres
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 (IP Code)
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 61511-1	Functional Safety: Safety Instrumented Systems for the Process

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

1. Occupational Health and Safety Act, 1993 (No. 85 of 1993).
2. The National Environmental Management Act, 1998 (No. 107 of 1998).
3. The Environment Conservation Act, 1989 (Act No.73 of 1989).
4. The National Water Act, 1998 (No. 36 of 1998).
5. The Water Services Act, 1977 (No. 108 of 1977).
6. National Environmental Management Air Quality Management Act, 2004 (No. 39 of 2004).
7. The Hazardous Substances Act, 1973 (No. 15 of 1973)
8. The Health Act, 1977 (No. 63 of 1977)
9. The National Health Act, 2003 (No. 61 of 2003).
10. The National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977).
11. National Ports Act, 2005 (Act No. 12 of 2005).
12. National Key Points Act, 1980 (Act No. 102 of 1980).

ANNEXURE E: Project Schedule

(Attach a copy of the schedule)

Licence Number PPL.sf.F1/102/2011

**Licence for the construction of petroleum loading and storage facilities
issued to**

Oiltanking Grindrod Calulo (Pty) Ltd
(Company Registration Number: 2008/025681/07)
Port of Ngqura, Port Elizabeth, Eastern Cape

Amendment No. 1

As approved by the National Energy Regulator of South Africa on 27 September 2012.

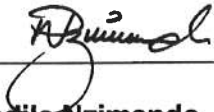
Effective date of amendment: **27 September 2012**

Amendments

- a) *'Annexure B-1: Tank details'* in the licence conditions is hereby replaced with the new **Annexure B-1 'Tank Allocation and Capacities'**.

b) 'Annexure B-2: Site layout' in the licence conditions is hereby replaced with the new **Annexure B-2 'Site layout'**.

Signed at **PRETORIA** on the ^{29th} day of OCTOBER 2012.



Phindile Nzimande

Chief Executive Officer – NERSA

Annexure B-1: Tank Allocation and Capacities

Tank Number	Tank Type	No. of tanks	Product	Individual Tank Capacity m ³	Total Capacity m ³
████████	Doomed roof	2	Bio-diesel	██████	██████
██████	Bullet	7	LPG	██████	██████
██████	Bullet	6	LPG	██████	██████
██████	Bullet	6	LPG	██████	██████
██████	Internal floating roof	5	Petrol	██████	██████
██████	Internal floating roof	6	Petrol	██████	██████
██████	Internal floating roof	3	Diesel	██████	██████
████████	Doomed roof	3	Diesel	██████	██████
██████	Doomed roof	3	Jet Fuel	██████	██████
██████	Doomed roof	5	Kerosene	██████	██████
██████	Doomed roof	1	Fuel Oil	██████	██████
████████	Doomed roof	2	Fuel oil	██████	██████
██████	Doomed roof	3	Diesel	██████	██████
Total		52			282 000

Annexure B-2: Site layout

'Annexure B-2: Site layout' in the licence conditions is hereby replaced with the new **Annexure B-2 'Site layout'**.

