



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

For immediate Release

MEDIA STATEMENT

Minister of Energy wants an audit of oil refineries

Pretoria, 10 November 2011 - To address her concerns over the increasing frequency and severity of unplanned refinery shutdowns, the Minister of Energy has directed that the portion of the 20 Year Liquid Fuels Infrastructure Roadmap Project covering the review of the existing refining infrastructure be expedited. She requires that an audit of the existing refineries be conducted to establish their reliability, availability and capacities. South Africa's domestic supply of liquid fuels from its six (6) refineries has been outstripped by domestic demand. The six refineries, whose total capacity is generally quoted around 708,000 barrels per day of crude oil equivalent, are: Sapref and Enref (in Durban), Sasol Synfuels (Secunda), Natref (Sasolburg) and Chevref (Cape Town) and PetroSA's GTL facility (Mossel Bay). As a result the country is perpetually importing finished products. The supply becomes even more constrained during planned shutdowns, where there is increased reliance on imports of liquid fuels.

This situation is further worsened by unplanned shutdowns, particularly when a planned shutdown coincides with an unplanned shutdown. Extended shutdowns, that is shutdowns that go beyond their expected start-up dates, have generally increased thereby further complicating matters. In SAPIA's presentation to the Select Committee on the 2nd of November 2011, even the oil industry, conceded to the sorry state of affairs regarding the country's refining infrastructure.

The 20 Year Liquid Fuels Infrastructure Roadmap Project will also address port infrastructure requirements. However, it must be understood that decisions regarding

big infrastructure projects need to be taken soon because the time between taking a decision and the actual construction and operation of the infrastructure tends to be long. It is without a doubt that South Africa needs to improve its domestic refining capacity to meet the increasing demand for liquid fuels.

END –

Media Inquiries:

Johannes Mokobane; Tel. 012 444 4612

Email: johannes.mokobane@energy.gov.za

Thandiwe Maimane

Tel: 012 444 4335

Email: Thandiwe.maimane@energy.gov.za