



## Ministry of Energy

### Media Statement

#### **MINISTER OF ENERGY REQUESTS REVIEW OF CENTRAL ENERGY FUND GOVERNANCE PROCESSES**

The Minister of Energy, Ms Tina Joemat-Pettersson, MP, met with the Boards of the Central Energy Fund (CEF) Group of Companies on 14<sup>th</sup> July 2016. The meeting was convened in the Minister's capacity as Shareholder of the CEF Group of Companies and included the Boards of CEF, Petroleum Oil and Gas Corporation of SA (PetroSA), the Strategic Fuel Fund Association (SFF), iGas, the Petroleum Agency SA (PASA), and African Exploration Mining and Finance Corporation (AEMFC).

The Minister shared with the Boards her concerns around the recent lapses in governance in the Group, and the need to strengthen both the governance and oversight responsibility of the CEF over its subsidiaries. CEF was directed to undertake a thorough review of its governance processes as well its turnaround strategies for the subsidiaries in the group.

The Minister also raised specific concerns around the Strategic Fuel Fund and directed that a thorough review be conducted of SFF contracts from the 2014/15 financial year to date. This review will include all contracts and transactions entered into in terms of the Ministerial Directive issued to the SFF, inclusive of the Strategic Stock Rotation and Storage and Leasing Agreements concluded. This process will establish whether the transactions were implemented in accordance with the conditions as set out in Ministerial Directive, and whether these followed due process and were above board. Any lapse in governance processes or irregular actions will be further investigated.

The Minister welcomed and agreed to the request of the CEF Board to appoint the Department of Energy's Deputy Director General responsible for Petroleum Regulation, Mr Tseliso Maqubela, to the position of Interim Chairperson of the SFF Board until such time that a new Chairperson is appointed.

Issued by the Minister of Energy  
**Ms Tina Joemat-Pettersson, MP**

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