

LOWVELDER - TUESDAY, 03 APRIL 2007

More fuel in the pipeline

NELSPRUIT - A historic milestone for the Lowveld has been marked with the green light for a new R4 billion petrol pipeline to link Nelspruit and Maputo.

Developer Petroline announced this week that it has been granted a licence by the National Energy Regulator of South Africa (Nersa) for the construction of a liquid petroleum pipeline from the border with Mozambique at Komatipoort to Kendal via Nelspruit. This will include a petroleum storage depot in the vicinity of Nelspruit.

The pipeline will be capable of transporting 3,5 billion litres of fuel a year - 1,5 billion of which will be offloaded in Nelspruit and the remainder sent to Gauteng.

Mr Johan de Vos, managing director of Gigajoule International - one of the four shareholding companies in Petroline - said the licence was an important milestone for the company. "Detailed design and environmental impact assessments for all elements of the pipeline and storage facilities have already been initiated. It has become imperative that alternative transport options be put in place to supply fuel to the heartland of the country," he explained.

The pipeline will run from an existing

coastal fuel storage facility at Matola Harbour in Mozambique to the Nelspruit area, where an inland storage depot will be constructed, complete with rail and road offloading infrastructure. The pipeline will continue to Kendal where it will potentially join the current petroleum pipeline network for inland distribution of the petroleum product.

"We expect to start on building the pipeline and storage facilities in South Africa towards the end of 2007, depending on the duration of the required regulatory compliance process," continued de Vos. The upgrading of the storage facility in Matola Harbour will be completed by mid-2008 and begin the temporary importation by rail or road.

The Maputo Corridor Link Initiative is "excited" by the news and believes the improved fuel supply will allow it to start firing on all pistons!

Ms Brenda Horne, chief executive of MCLI, commented, "This is exactly what our corridor needs - the economic impact will be substantial. Not only should the pipeline and storage facility reduce the costs to business and transport, but will also bring additional employment to the area."