

MPUMALANGA NEWS - THURSDAY 5 APRIL 2007

## Pipeline gets the go-ahead

KOMATIPOORT - The National Energy Regulator of South Africa (Nersa) issued a licence this week for the construction of a liquid petroleum pipeline from the border of Mozambique at Komatipoort to Kendal via Nelspruit. "The licence also includes the construction of a petroleum storage depot in the vicinity of Nelspruit," said a spokesman for Petroline RSA (Pty) Ltd.

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

Petroline said the issuing of this licence was an important milestone for the company. Detail design and environmental impact assessments (EIA) for all elements of the pipeline and storage facilities have already been initiated. It is anticipated that construction of the liquid pipeline and storage facilities in South Africa will start towards the end of 2007, depending on the duration of the required regulatory compliance process. It is anticipated that the upgrading of the storage facility in Matola Harbour will be completed by mid 2008 and the commencement of temporary finished product importation by rail or road can then begin.

Petroline RSA will implement the project in a 50/50 joint venture with Petroline S.A. of Mozambique.