

Pipeline concerns will be addressed

NELSPRUIT - The consultation process is underway for Petroline Holdings' proposed 450-kilometre pipeline.

Four alternative corridors are the preferred routes between Komatipoort and Kendal near Witbank. These alternatives all pass near to Nelspruit where a liquid fuels storage depot is proposed at Alkmaar.

A focus group meeting is scheduled for local landowners and interested parties on Saturday, October 27 at 11:00 in the Goldenspot conference facility.

Some key areas of concern are the risks posed to health and safety due to the flammable and explosive nature of the petroleum; potential effects on water quality (both surface and ground water) and the social and economic effects of resettlement.

The project will cost US\$600 million, of which US\$243 million will be invested in the pipeline construction between the fuel terminal at Matola Porto and Nelspruit, and the remaining US\$357 million will be used for the extension linking Nelspruit and Kendal.

The liquid petroleum pipeline will increase availability of fuel to the country's inland regions. Various grades of petrol and diesel will be imported with a planned annual capacity of 3,5 million cubic metres. The anticipated requirements in Nelspruit are initially estimated at between 500 000 and 1,500 000 cubic metres.

The project is being coordinated by Nature and Business Alliance Africa (Natbus) and SRK Consulting will undertake the environmental authorisation. Matrix Public Relations and Communications is organising the public participation aspects of the work.

Other developments already affecting landowners have been raised by the farming community in the Malalane districts and include:

- * N4 freeway upgrade
- * Sasol's gas pipeline
- * The Snyman fence
- * Telkom and Eskom powerlines.

These issues will be investigated and assessed during the detailed assessment phase of the EIA.

The Petroleum Pipelines Act (Act 60 of 2003), aimed at promoting competition in the construction and operation of petroleum pipelines, has enabled Petroline to pursue the proposed development. The National Energy Regulator of South Africa (Nersa) has issued a licence to Petroline to construct the proposed pipeline subject to compliance with environmental regulatory requirements.

The high levels of economic growth and future projections point towards the capacity of the transport system being outstripped by demand by mid-2009.

The pipeline is planned to have reverse flow to export petroleum products via Matola if a

new coal-to-liquid-fuels plant manufactures more fuel than required by the local market.

The key aspects of the pipeline are:

* Liquid fuel will be transported in a below-ground pipeline. Construction is expected to start in July next year and be completed by December 2009.

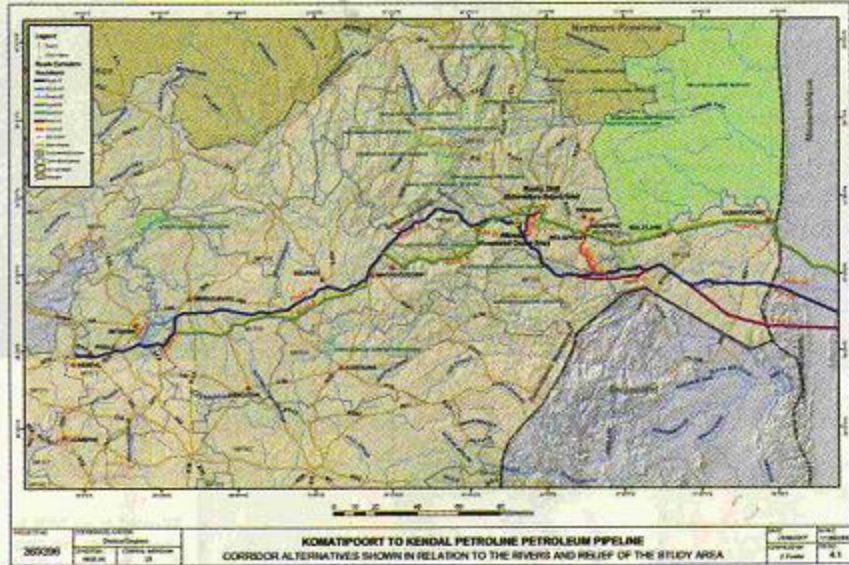
* A separate EIA process is underway for the

depot at Alkmaar.

* Seven automated pumpstations requiring either 3,3 kV or 6,6 kV will be needed along the route.

The operational servitude will be approximately six metres wide.

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The four proposed routes for the fuel pipeline.