

**ENVIRONMENTAL AND SOCIAL IMPACT
ASSESSMENT (EISA) FOR THE PROPOSED
OFFSHORE PRODUCTION RIGHT, ADDITIONAL EXPLORATION
ACTIVITIES AND ENVIRONMENTAL AUTHORISATION
APPLICATION FOR BLOCK11B/12B - REF No: 12/4/13 PR**

Draft Scoping Report Non-Technical Summary



1 DRAFT SCOPING REPORT NON-TECHNICAL SUMMARY

This document is a non-technical summary of the Draft Scoping Report for the Environmental and Social Impact Assessment (ESIA) for TotalEnergies EP South Africa B.V. (TEEPSA) proposed Production Right application for gas and condensate in Block 11B/12B off the Cape South Coast. (Figure 1-1).

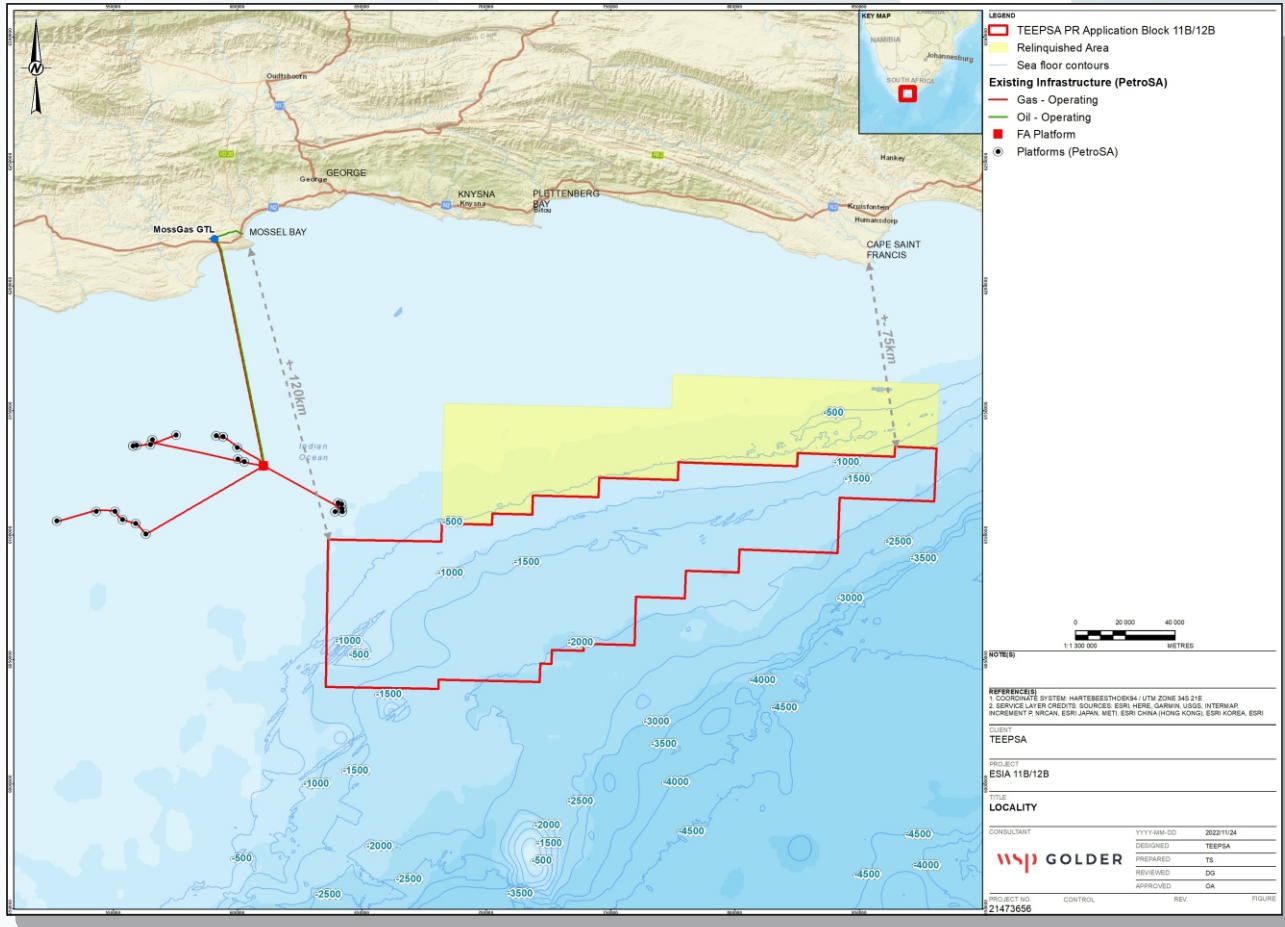


Figure 1-1 - Locality Map showing the Production Right application area (in red) and the area that has been relinquished (in yellow shading) in relation to the existing PetroSA F-A Platform and offshore wells which supply the platform.

This document includes:

- ▶ Background to the proposed project,
- ▶ A description of what TEEPSA propose to do and motivation for the project,
- ▶ The environmental authorisation process and regulatory requirements,
- ▶ The public participation process and how you can register on the stakeholder database as an Interested and Affect Party (I&AP) and submit your suggestions or issued of concern,
- ▶ A summary of the anticipated impacts that could occur if the project goes ahead, and
- ▶ The next steps in the environmental authorisation process.

This summary and an audio of the summary are available in English, Afrikaans, and isiXhosa.

The summary, and audio of the summary and the full Draft Scoping Report are also available on:

- ▶ The data-free website at: <https://wsp-engage.com/Total-11B12B>; and
- ▶ WSP's website at: <https://www.wsp.com/en-za/services/public-documents>

The Draft Scoping Report and its summary are available for public review and comment from 01 December 2022 to 03 February 2023. Hard copies of the full Draft Scoping Report are available at public places on the next page;

PUBLIC PLACES

Western Cape			Eastern Cape		
Location	Name of public places	Physical address	Location	Name of public places	Physical address
Cape Town	City of Cape Town Central Public Library	1 Parade Street, Cape Town City Centre	Cape St. Francis	Coastal Collective	2 Suffolk Lane
Mitchells Plain	Mitchells Plain Library	1st Avenue, Mitchells Plain	St. Francis Bay	St, Francis Tourism & Municipal Offices	Municipal Offices, Assisi Drive
Somerset West	Somerset West Library	10 Victoria Street, Audas Estate	Jeffreys Bay	Jeffreys Bay Tourism	17 Da Gama Road
Gordon's Bay	Gordon's Bay Public Library	6 Walt Street, Gordon's Bay Central	Gqeberha	Newtown Park Library	Hurd Street, Newtown Park
Gansbaai	Gansbaai Library	Corner Main & Kapokblom Street	Boknes	Boknes Petrol, Station & Supermarket	Daniel Scheepers Street
Hermanus	Hermanus Public Library	66 Duiker Street	Port Alfred	Royal Alfred Marina	1 Albany Road
Struisbaai/ L'Augulhas	Struisbaai Public Library	Corner 1st Avenue & Deining Avenue	Sundays River	Sundays River Angling Club	29 Aquavista Cres, Colchester
Bredasdorp	Cape Agulhas Municipal Office	1 Church Street	East London	Eastern Cape Parks & Tourism Offices	17-25 Oxford Street, East London
Stilbaai	Stilbaai Municipality	Main Road West	East London	Harbour - Transnet National Ports Authority	Port Control Building, Ganteaume Crescent, Quigney
Mossel Bay	Kwanongaba Library	Adriaan Street, Asla Park, Kwanongaba			
Mossel Bay	Mossel Bay Tourism	7 Market Street			
Mossel Bay	Mossel Bay Municipality	99 Marsh Street, Mossel Bay Central			
Mossel Bay	Harbour	55 Bland Street			
George	Fishing permit office	95 York Street (At the Post Office)			
Knysna	Knysna Tourism Offices	40 Main Road, Knysna Central			
Plettenberg Bay	Keurbooms River Marina/Cape Nature Offices	Corner of Beacon Way & Zenon Street			



Birds eye view of Mosselbay

How to register as a stakeholder and submit your comments

If you wish to receive information about this proposed project and the environmental impact assessment or wish to make suggestions or submit your concerns or comments, please register on the stakeholder database as an interested and affected party (I&AP) so that we can keep you informed. You can register as an I&AP by contacting the Public Participation Office as follows:

- ▶ WSP Public Participation Office
 - ▶ Email: teepsaEIA@WSP.com
 - ▶ Tell: (011) 254 4800, or
 - ▶ WhatsApp: (076) 694 3842
 - ▶ Completing a registration form attached to the summary report or available at the public places where the Draft Scoping Report is available to the public, and returning that form to the email above; or
 - ▶ Or scan the QR code:



You can comment by:

- ▶ Completing the comment sheets attached to public documents;
- ▶ Emailing the project email addresses (above) directly;
- ▶ Phoning the landline provided above;
- ▶ Messaging via the WhatsApp number provided above; or
- ▶ Attending meetings in person.

Next steps in the environmental authorisation process

Comments received during the Draft Scoping Report comment period will be recorded in a comment and response register that is submitted to the regulator together with the Final Scoping Report (FSR). I&APs will also be provided with an opportunity to comment on the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) once finalised during the Impact Assessment phase.

Protection of Personal Information Act, 4 of 2013

We need your consent to retain your personal information for purposes of this project. By registering as an I&AP, you provide your permission in terms of the Protection of Personal Information Act for your contact details to be held securely so that we can keep you informed about this project. WSP Group Africa as a good corporate citizen complies to the POPIA and confirms that your details will be kept confidential and will not be shared with any third party without your prior consent, other than the lead authority should they request I&AP details.

2 BACKGROUND TO PROPOSED PROJECT

A joint venture comprising TotalEnergies EP South Africa B.V. (TEEPSA), QatarEnergy, Canadian Natural Resources International (South Africa) Limited, and a South African consortium, MainStreet 1549 held an Exploration Right (Exploration Right Ref. No.: 12/3/067) over Block 11B/12B, located offshore from the Southern Cape Coast, South Africa. To date, the exploration programme for Block 11B/12B has been focused on the south-western part of the block and has resulted in gas and associated condensates discoveries in the Paddavissie fairway, including the Brulpadda and Luiperd discoveries (**Figure 2-1**). These combined areas are referred to as the project development area.

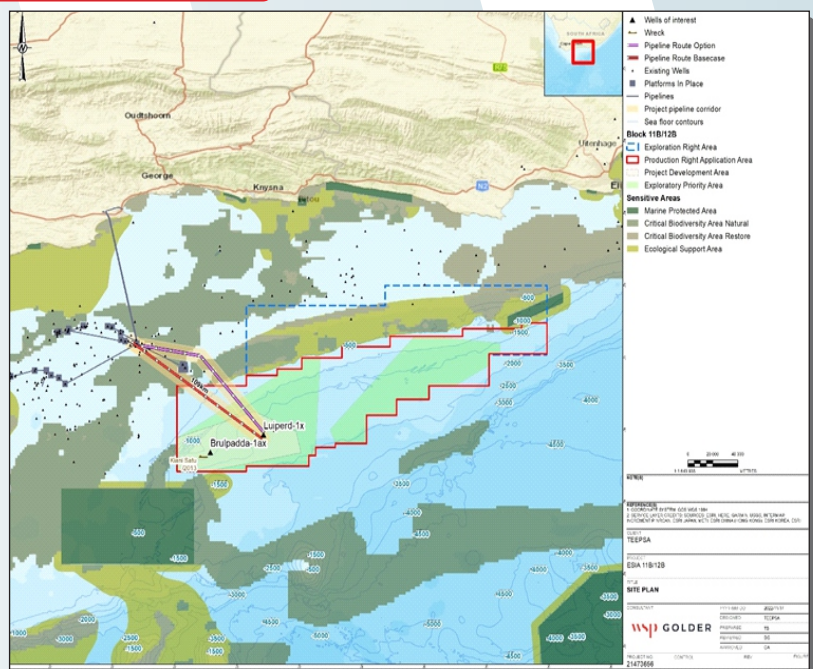


Figure 2-1 - Site Map showing the Brulpadda 1AX and Luiperd 1X discoveries, and potential production pipeline options to the PetroSA exiting FA-Platform

TEEPSA together with the Joint Venture (JV) partners now want to convert the Exploration Right into a Production Right (PR). The Production Right application was submitted in terms of the requirements of Sections 83 to 86 of the Mineral and Petroleum Resources Development Act through the Petroleum Agency South Africa (PASA) on 05 September 2022 and was subsequently accepted by PASA on 19 September 2022.

TEEPSA is planning to develop the Paddavissie fairway if a PR is granted and if commercial agreements for the sale of the gas onto the domestic market can be achieved. The Production Right application area is located offshore and stretches between Mossel Bay and Cape St. Francis (**Figure 2-1**). The closest north-eastern point of the Production Right application area is about 75 km offshore from Cape St Francis, whereas the closest north-western point is about 120 km offshore from Mossel Bay. The application area covers approximately 12 000 square kilometres (km²) with water depths ranging from 500 to 2 300 meters.

The Production Right area that is being applied for is smaller than the Exploration Right area that the company previously held. The Production Right area excludes the portion closer to the shore, which overlaps with biodiversity sensitive areas (**Figure 2-2**).

The application area is located east south-east of the existing PetroSA South Coast production fields. The water depth increases quite significantly from north to south across the block. Associated with this drop-off, as well as individual seamounts, are areas of biodiversity importance within the vicinity of the block. Areas associated with the drop-off point/shelf break, provide habitat for marine life and are good fishing grounds utilised by commercial fishermen. The Agulhas current which moves down the coast from the north-east roughly follows the seafloor drop-off and cuts through the project development area (**Figure 2-1**).

3 PROJECT DESCRIPTION

TEEPSA is planning to develop the Paddavissie fairway if a PR is granted and if commercial agreements for the sale of the gas onto the domestic market can be achieved.

For TEEPSA to bring these newly proven gas and associated condensate reserves into production the following development and production activities are required:

- ▶ Drilling of up to six (6) offshore production and appraisal wells in the project development area;
- ▶ Connecting the offshore wells by installing subsea manifolds and flowlines; and
- ▶ Connection of manifolds and flowlines to the existing PetroSA F-A Platform at Block9 Offshore Field, via a subsea production pipeline, measuring 109 km in length.

The gas and associated condensates produced by the subsea wells would be exported to the PetroSA existing F-A platform via a subsea production pipeline of approximately 109 km. The gas will be processed using the existing processing facilities on the F-A Platform and the gas and associated condensates will be exported via two existing pipelines connecting the platform to the shore. Production is expected to last approximately 20 years.

The outcome of the on-going commercial negotiations (including agreements for the sale of the gas) should determine the use of the gas. Some possible use scenarios include Gas to Liquids (GTL) and Gas to Power (GTP); any construction, modification or upgrades at the F-A Platform or at any onshore facility, if required by the off-taker of gas or condensates, will be subjected to a separate Environmental Authorisation Application.

In addition to bringing development wells into production, TEEPSA intends to conduct further exploration activities in Block 11B/12B, to obtain better understanding of additional potential resources. The exploration programme may include exploration and appraisal drilling, including associated activities such as vertical seismic profiling and well logging and (flow) testing, as well as sonar surveys, seafloor sampling and metocean buoy mooring.

Offshore support to the exploration and production activities will be by support vessels, departing from the ports of Mossel Bay, Gqeberha and/or Cape Town, through port and associated offshore infrastructure facilities. Helicopters will operate from George airport to support offshore activities. Logistics, laydown areas and support will be undertaken from Mossel Bay port using port infrastructure and facilities for all offshore activities. Beneficiation of the product and handling of waste streams will occur on the existing F-A Platform and permits.



Semi-submersible drilling vessel

4 REGULATORY REQUIREMENTS

Before TEEPSA can commence with any activities associated with the proposed project, the following key application processes need to be undertaken:

- ▶ Production Right Application in terms of Sections 83 to 86 of the Mineral and Petroleum Resources Development Act (Act 28 of 2002) (MPRDA); and
- ▶ Environmental Authorisation Application in terms of the National Environmental Management Act (Act No. 107 of 1998) (NEMA): For any project-related listed activities specified in the NEMA Environmental Impact Assessment (EIA) Regulations of 2014 (GN R.326), as amended in 2017.

The Production Right application must be submitted to the Minister of Mineral Resources and Energy. A production works programme (which describes the proposed activities and the technical development plan in detail) and a social and labour plan (which describes the commitments of the developer to human resource development, community investment and procurement amongst others) must accompany the Production Right application. A Production Right can only be considered for decision subject to the completion of an ESIA and public participation process for the proposed project

The listed activities associated with the proposed project are provided in Table 4-1 on the next page. Based on the listed activities, TEEPSA is required to undertake a comprehensive Scoping and Environmental Impact Assessment process, also referred to as a “full” EIA in terms of NEMA. A full ESIA is a thorough study that assesses the following aspects of a proposed project:

- ▶ potential environmental risks and impacts in the project's area of influence;
- ▶ describes the alternatives considered in the proposed project or alternative technology to be used;
- ▶ identifies ways of improving project selection, siting, planning, design, and implementation by avoiding, reducing, managing, or compensating for adverse environmental impacts;
- ▶ Considers how to enhance a project's positive impacts throughout the operation of a proposed project; and
- ▶ considers the natural environment (air, water, land, and biodiversity), community health and safety, and socio-economic aspects including indigenous peoples and cultural heritage.

An ESIA typically has three phases; firstly, a scoping phase (that is where we are now), followed by a second phase which is the impact assessment phase, at the end of which an environmental impact assessment report is submitted to the authorities. The third phase is the authority decision-making phase, where the regulator must make a decision on whether to authorise the project to proceed, and if so, under which conditions.

I&APs will be notified of the outcome and how and by when the decision may be appealed, should they wish to.

A public participation plan has been developed as part of the ESIA process for this project. The public participation plan describes how the independent Environmental Assessment Practitioner (EAP) and project team will engage with interested and affected parties (I&APs), which include the public, authorities, community and industry representatives, First Nations, fishers, and other organisations during the ESIA process.

There will be several opportunities for I&APs to participate in the ESIA process, either by submitting comments to WSP's Public Participation Office, or verbally through attending meetings in person.

In terms of the EIA Regulations (GNR.326) “Independent”, in relation to an EAP, a specialist or the person responsible for the preparation of an environmental audit report, means -

- (a) that such EAP, specialist or person has no business, financial, personal or other interest in the activity or application in respect of which that EAP, specialist or person is appointed in terms of these Regulations; or
- (b) that there are no circumstances that may compromise the objectivity of that EAP, specialist or person in performing such work;

Excluding -

- (i) normal remuneration for a specialist permanently employed by the EAP; or
- (ii) fair remuneration for work performed in connection with that activity, application or environmental audit;

Table 4-1 – Listed activities associated with the proposed project

<p>Listing notice 1 (GN R.327)</p> <p>Applicable Listing Notice 1 (GN R.325) activities:</p> <p>Activity 17: Development (i) in the sea... in respect of (e) infrastructure or structures with a development footprint of 50 m² or more.</p> <p>Activity 19A: The infilling or depositing of any material of more than 5 cubic metres into, or the dredging, excavation, removal or moving of soil, sand, shells, shell grit, pebbles or rock of more than 5 cubic metres from:</p> <p>(iii) the sea.</p>	<p>Listing notice 2 (GN R.984) Requiring a Scoping and Environmental Impact Assessment</p> <p>Applicable Listing Notice 2 (GN R.325) activities:</p> <p>Activity 4: The development and related operation of facilities or infrastructure, for the storage, or storage and handling of a dangerous good, where such storage occurs in containers with a combined capacity of more than 500 m³.</p> <p>Activity 6: The development of facilities or infrastructure for any process or activity which requires a permit or licence or an amended permit or licence in terms of national or provincial legislation governing the generation or release of emissions, pollution or effluent</p> <p>Activity 7: The construction of facilities or infrastructure for the bulk transportation of dangerous goods:</p> <p>(i) in gas form, outside an industrial complex, using pipelines, exceeding 1 000 m in length, with a throughput capacity of more than 700 tons per day;</p> <p>(ii) in liquid form, outside an industrial complex, using pipelines, exceeding 1 000 m in length, with a throughput capacity more than 50 m³ per day</p> <p>Activity 14: The development and related operation of</p> <p>(ii) an anchored platform; or</p> <p>(iii) any other structure or infrastructure on or along the seabed, ...</p> <p>Activity 20: Any activity including the operation of that activity which requires a production right in terms of Section 83 of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), as well as any other activity as contained in this Listing Notice, in Listing Notice 1 of 2014 or Listing Notice 3 of 2014, required to exercise the production right.</p>
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5 PROJECT MOTIVATION

Numerous strategies within the context of South Africa's energy transition recognise the place of natural gas production as one element in the mix of technologies that will secure energy generation capacity going forward. Natural gas in the energy mix will serve as a bridge on the path from reliance on fossil fuel to carbon-neutrality from 2050 (as per the Paris Agreement) and to complement renewable energy sources, as per the 2019 Integrated Resources Plan, that are under development.

TEEPSA's discovery of offshore commercially viable natural gas, has the potential to contribute to meeting the country's energy demands during the transitional period, and contribute positively to the economy.

South Africa has a high dependency on fossil fuels and, as one of the top 20 global greenhouse gas emitters, will need to make substantial emission reduction. However, the rapid transition to carbon neutrality presents a potential risk to economic growth and sustainable development if not managed properly. The use of gas as an energy or fuel source contributes to reduce emissions while the country transitions away from its reliance on coal while also contributing positively to the economy.

The proposed project will also allow for the opportunity to diversify South Africa's energy sources and reduce the country's vulnerability and dependence on imports for its energy requirements.

Arguably of greater benefit than the strategic value of bringing into production local gas reserves is the simple fact that the current PetroSA infrastructure (both onshore and offshore) in proximity to Mossel Bay is currently facing imminent closure due to dwindling supply reserves from the existing field. The current project has potential to supply the F-A Platform, contributing replacement feed from the newly identified reserves. This has the potential to extend the life of the F-A Platform and associated infrastructure by up to 20 years based on current resource estimates. Similarly, to avert loss of employment linked to these facilities.

Furthermore, the TEEPSA project is required to contribute to local development through integration of community-based initiatives with Municipal Integrated Development Plans, Spatial Development Frameworks and Environmental Management Frameworks. This will be facilitated through the municipal structures and the public participation process.

6 PUBLIC PARTICIPATION

The NEMA EIA Regulations (GN R.326 amended) require identification of and consultation with communities and interested and affected parties (I&APs). In terms of Section 24 0 (2) of NEMA, specific state departments are identified and recognised as commenting authorities on aspects of the proposed project. Key activities that form part of the public participation process include:

- ▶ identifying and inviting stakeholders to register to participate in the process. Here, a variety of methods including publishing advertisements, on site notices, the use of radio in local language, and the identification of I&AP's who participated various studies linked to the project to date;
- ▶ capacitating and informing I&AP's about the project through the release of information in the form of a draft scoping report and a non-technical summary report (this report) that will be available in English, Afrikaans and isiXhosa;
- ▶ meeting I&AP's from various sectors of society in small focus groups to discuss their suggestions and concerns regarding the project. We will also hold public meetings in major towns across the breadth of the project area;
- ▶ The capturing of all suggestions, comments and issues of concern raised by I&AP's in a comment and response report which is submitted to the regulator both at the scoping stage and at the end of the impact assessment phase, together with the full record of written submissions received; and
- ▶ making available the draft environmental and social impact assessment and environmental and social management plan in the impact assessment phase of the process. Another round of public meetings to present the findings of specialist studies and the impact assessment to I&AP's will be held. During this process, comments received will, again, be recorded in the form of a comment in response report which will be submitted together with a complete record of all written submissions received when the final environmental impact assessment report is submitted to the authorities for decision-making.

The project will be announced to the public during December 2022, through the placement of newspaper and radio advertisements, and site notices, to create awareness of the proposed project.

- ▶ The DSR will be available for public comment from **01 December 2022 to 03 February 2023**. The public comment period has been extended to account for the December shut-down period (15 December 2022 – 05 January 2023). The availability of the DSR will be announced as follows:
 - ▶ Distribution of letters to I&APs, accompanied by a registration and comment form (in English, Afrikaans and IsiXhosa), inviting I&APs to comment on the DSR and to register as an I&AP;
 - ▶ Notifying I&APs of the availability of the DSR via SMS, site notices, email and letters; and
 - ▶ Posting the DSR, announcement letter and comment form on the WSP website (<https://www.wsp.com/en-za/services/public-documents>); and the data-free website at: <https://wsp-engage.com/Total-11B12B>.

Various I&AP engagement meetings will be held during the Scoping Phase, to engage with WSP and the TEEPSA project team on the content of the Draft Scoping Report and raise any comments, issues or concerns regarding the proposed project. A virtual public meeting will take place on **07 December 2022 from 17h30 to 19h30**.

I&APs will need to contact the WSP Public Participation Office to register for the virtual public meeting. Only registered I&APs will be able to receive the invitation to the virtual public meeting. Details of face-to-face public meetings to be convened in January 2023 will be shared with I&APs closer to the time.

Details of the public meetings (dates, venues and times) will be communicated to I&APs using similar platforms used during project announcement, e.g., email, bulk SMS, etc. and will be available on the WSP website and data-free.

I&APs are encouraged to:

- ▶ Register as an I&AP in order to attend the virtual public meeting and receive regular information and updates on the project; and
- ▶ Submit written comments to WSP's Public Participation Office through the contact details provided at the end of this document and in the I&AP letter and comment sheet.

I&APs may also fill in comment forms at one of the public places, contact the WSP Public Participation team via telephone or WhatsApp or email to submit comments and to discuss any issues of concern.

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7 POSSIBLE IMPACTS

The Scoping Phase is used to identify potentially significant environmental issues for further consideration during the Impact Assessment Phase. Based on similar projects, impacts in normal conditions could include:

- ▶ Impacts on air quality due to air emissions from vessel engines and from well testing;
- ▶ Impacts on sea water quality at drilling sites due to drilling muds and cuttings and cement which will be discharged into the sea during well drilling;
- ▶ Impacts on sediment quality (bottom contours, grain sized and some chemical parameters) from discharge of drilling muds and cuttings and cement and from seafloor sampling;
- ▶ Impacts on plant and animal life on the sea bottom in areas where wells are drilled, or project infrastructure is installed;
Incineration of individual birds from well stem test flaring at the drillship;
- ▶ Noise effects on marine life due to sound from construction related activities, and associated physical and behaviour disturbance;
- ▶ The potential for collision between project vessels and marine mammals and sea turtles or due to well drilling, VSP and/or sonar survey activities, resulting in injury or mortality;
- ▶ Impact on bird life / nesting due to disturbances caused by marine vessels and helicopter traffic;
- ▶ Protection from fish pressure of some fishes and invertebrates species attracted to the project infrastructures where the exclusion zone will be applied;
- ▶ Local disruption to marine traffic to avoid project activities at sea and their exclusion safety zones;
- ▶ Loss of fishing gears due to project vessel movements in fishing areas;
- ▶ Loss of small-scale/artisanal fishing grounds due to project infrastructures and their exclusion safety zones;
- ▶ Risk of collision between project vessels and small-scale fishing boats due to project vessels movements;
- ▶ Social unrest in coastal communities due to the perception of project negative impacts on fisheries combined with very limited local benefits; and
- ▶ Potential impacts on human cultural heritage and spiritual connections to the ocean and coastline, which is of sacred value to communities.

This list provides a few examples of possible impacts that could occur during planned project activities. Potential impacts could also arise from accidental or unplanned events. During the ESIA, the project's potential impacts will be described and evaluated, and mitigation will be proposed where necessary in order to reduce the potential severity of impact. Cumulative impacts associated with the overall project will also be assessed, to determine the combined environmental impact of related activities taking place in the project area.

8 NEXT STEPS IN THE ENVIRONMENTAL AUTHORISATION PROCESS

Comments received during the comment period will inform finalisation of the Final Scoping Report (FSR), which will be submitted to the competent authority for consideration. I&AP's will also be provided with an opportunity to comment on the ESIA and ESMP once finalised during the Impact Assessment Phase.

The following activities will take place as part of the planned EA process going forward:

- ▶ Develop the FSR once comments and feedback have been received from I&APs and authorities;
- ▶ Submit FSR to the competent authority for consideration;
- ▶ Undertake specialist studies for the activities and infrastructure associated with the proposed project;
- ▶ Prepare the impact assessment;
- ▶ Prepare an ESMP which will include management measures to avoid and/or mitigate and manage the impacts identified in the impact assessment;
- ▶ Provide registered I&APs feedback on the Impact Assessment Phase;
- ▶ Submit the draft ESIA/ESMP for I&APs and authority comment: The final ESIA/ESMP will be submitted to the relevant authorities following the incorporation of I&APs comments to ensure that their comments have been addressed in the final report; and
- ▶ Communicate the Record of Decisions from the competent authority in terms of ESIA to I&APs.

DUE DATE FOR COMMENTS : 03 February 2023

To comment on the Draft Scoping Report, please complete the attached comment form, or visit the WSP website: (<https://www.wsp.com/en-za/services/public-documents>), the data-free website (<https://wsp-engage.com/Total-11B12B>) or contact:

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Due date for comment on Scoping Report: 03 February 2023

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