

APPENDIX 3:

**ACCEPTANCE OF FINAL SCOPING REPORT
AND SUBSEQUENT DMRE CORRESPONDENCE**



mineral resources & energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

RECORD OF DECISION FOR THE SCOPING REPORT IN RESPECT OF ENVIRONMENTAL AUTHORISATION APPLICATION LODGED IN TERMS OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT 107 OF 1998): ENVIRONMENTAL IMPACT ASSESSMENT REGULATIONS, 2014

1. BACKGROUND

TotalEnergies EP South Africa Block 567 (Pty) Ltd (TotalEnergies), Shell Exploration & Production South Africa BV, and the Petroleum Oil and Gas Corporation of South Africa (SOC) Ltd hold an exploration right in Block 5/6/7, off the South-West Coast, issued in terms of section 79 of the Mineral and Petroleum Resources Development Act, 2002 (No.28 of 2002) (MPRDA). The exploration right allows the holders of the right to commission various exploration activities to determine the presence of oil and gas resources. Exploration activities carried out within the exploration right area include the acquisition of seismic data and based on this, the operator of the block, TotalEnergies (hereafter referred to as the applicant), proposes to drill one well and depending on the positive results, up to four additional wells. The proposed drilling activity has triggered several activities listed under Listing Notices 1 and 2 of the Environmental Impact Assessment Regulations, 2014, as amended (EIA Regulations). It is therefore necessary for TotalEnergies to obtain an Environmental Authorisation before undertaking the proposed drilling activity.

TotalEnergies appointed SLR Consulting (South Africa) (Pty) Ltd as an independent Environmental Assessment Practitioner in terms of Regulation 12 of the EIA Regulations, to lodge an EA application and undertake the Environmental Impact Assessment (EIA) process. The EA application was lodged on 20 May 2022, and the scoping report which was subjected to a total of 44-day commenting period was submitted on 25 July 2022. The scoping report was initially scheduled for submission on 04 July, however, an extension was granted, upon

the EAP's request, by the Department to allow interested and affected parties enough time to comment on the draft scoping report.

2. LOCATION AND DESCRIPTION OF EXPLORATION ACTIVITIES

2.1 Location

The targeted drilling area is within block 5/6/7, off the South-West Coast of South Africa, roughly between Cape Town and Cape Agulhas. The closest point of the application area from the shoreline is approximately 60 km and furthest, approximately 170 km, and in water depths between 700 m and 3 200 m. The application area is approximately 10 000 m².

2.2 Proposed exploration activities

The applicant proposes to undertake the following activities:

- 2.2.1 Drilling of up to 5 wells, dependent on the success of the initial well. The anticipated well depth is approximately 3 570 m.
- 2.2.2 Well logging which involves evaluation of chemical and physical properties of the rocks and their component minerals, will be undertaken. An evaluation tool, Vertical Seismic Profiling, will be used.
- 2.2.3 If the resource is discovered, a well (flow) testing will be carried out to determine the economic potential of such discovery.
- 2.2.4 Thereafter, well sealing and plugging will be undertaken before demobilisation.

The applicant proposes to use a semi-submersible drilling unit or drillship. The drilling unit will be supported by up to three support vessels, which will be on standby as well as moving equipment and materials from the onshore base.

There is no firm confirmation concerning the time to execute drilling programme, the anticipated earliest commencement date is between the last quarter of 2023 and second quarter of 2024. Drilling of one well will take approximately three to four months, excluding mobilisation and demobilisation processes.

2.3 Listed Activities

The table below provides a description of listed activities related to the proposed drilling activity, which triggered an EA application in terms of the EIA Regulations.

Table 1: Listed activities applied for in terms of the EIA Regulations

Activity No.	Activity Description
GN No. R983: Listing Notice 1 (as amended)	
Activity 14	"The development and related operation of facilities or infrastructure, for the storage, or for the storage and handling, of a dangerous good, where such storage occurs in containers with a combined capacity of 80 m ³ or more but not exceeding 500 m ³ ."
Activity 17	"Development (i) in the sea ... in respect of (e) infrastructure or structures with a development footprint of 50 m ² or more..."
Activity 19A	"The infilling or depositing of any material of more than 5 m ³ into, or the dredging, excavation, removal or moving of soil, sand, shells, shell grit, pebbles, or rock of more than 5 cubic metres from: (iii) the sea."
GN No. R984: Listing Notice 2 (as amended)	
Activity 4	"The development and related operation of facilities or infrastructure, for the storage, or for the storage and handling, of a dangerous good, where such storage occurs in containers with a combined capacity of more than 500 m ³ ."
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, ..."
Activity 7	"The construction of facilities or infrastructure for the bulk transportation of dangerous goods: (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; (ii) in liquid form, outside an industrial complex, using pipelines, exceeding 1 000 m in length, with a throughput capacity more than 50 m ³ per day"
Activity 14	"The development and related operation of – (ii) an anchored platform; or (iii) any other structure or infrastructure on or along the seabed, ..."
Activity 18	"Any activity including the operation of that activity which requires an Exploration Right in terms of Section 79 of the Mineral and Petroleum Resources Development Act, as well as any other applicable activity as contained in this Listing Notice, in Listing Notice 1 of 2014 or in Listing Notice 3 of 2014, required to exercise the exploration right..."

3. INFORMATION CONSIDERED IN MAKING THE DECISION

The following information was taken into consideration in making the decision to accept the scoping report:

- 3.1 The provisions of Chapter 5 of the NEMA which relates to the Integrated Environmental Management; section 2 NEMA principles; the EIA Regulations, 2014 and other relevant NEMA regulations and guidelines.
- 3.2 Information contained in the EA application dated 20 May 2022.
- 3.3 The information contained in the Final Scoping Report (FSR) dated 25 July 2022.
- 3.4 Public participation process carried out and the results thereof highlighting issues and comments raised by the registered Interested and Affected Parties (I&APs).

4. KEY FACTORS CONSIDERED IN MAKING THE DECISION

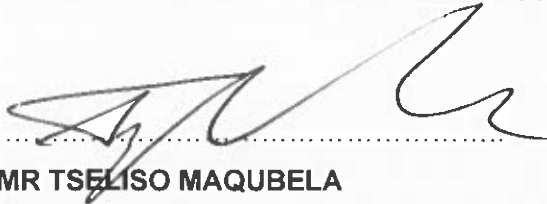
The aforementioned information was assessed and the key significant issues that resulted in the decision to accept the FSR are set as follows:

- 4.1 The motivation for the need and desirability of the proposed development is in line with the requirements of the EIA Regulations, 2014 and it addressed key issues raised in the Needs and Desirability Guideline.
- 4.2 The public consultation process undertaken by the EAP was done in accordance with Regulations 21(1) and 41 of the EIA Regulations. In this regard, the EAP identified and notified interested and affected parties of the EA process through various means such as letters, newspaper advertisements, radio notices and site notices. Notices and advertisements were in 3 languages spoken in the area adjacent to the application area. In addition, public and focus group meetings were held. The scoping report submitted for consideration was subjected to more than a 30-day legislated commenting period. The EAP has proposed further consultation processes during the second phase of the EIA process, which are deemed acceptable.
- 4.3 Potential negative and positive environmental and socio-economic impacts of the proposed activities were identified and assessed. Further detailed assessment of some potential impacts will be carried-out in the next phase of the EIA process.
- 4.4 Preliminary mitigation measures were identified and assessed. Further assessment is proposed during the EIA phase as it will also be informed by the proposed technical modelling and specialist studies. This was considered suitable at this stage.

4.5 The impact assessment matrix used to assess the significance of preliminary potential impacts at scoping phase was found to be acceptable as it is in line with regulatory requirements.

4.6 The applicable policies, legislation and guidelines were identified and assessed and all fundamental and procedural requirements, to the extent possible, were satisfied.

In view of the above and having taken into consideration environmental management principles as set out in section 2 of NEMA, and information presented in the FSR, this Department is satisfied with the scoping process undertaken and the proposed plan of study for the EIA phase. The FSR is accordingly accepted.



MR TSELISO MAQUBELA

DEPUTY DIRECTOR-GENERAL: MINERAL AND PETROLEUM REGULATION

DATE OF ACCEPTANCE: 29/08/2022



mineral resources & energy

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

Enquiries : Ms Phumla Ngesi
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Ref: 12/3/224

Attention: Mr. Jeremy Blood

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SLR Consulting (South Africa) (Pty) Ltd
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Newlands on Main
Cnr Main and Campground Roads
Newlands
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Dear Mr. Blood

**ACCEPTANCE OF THE FINAL SCOPING REPORT IN RELATION TO THE ENVIRONMENTAL
AUTHORISATION APPLICATION FOR THE PROPOSED DRILLING PROGRAMME IN BLOCK
5/6/7, OFF THE SOUTH-WEST COAST OF SOUTH AFRICA.**

The Final Scoping Report (FSR) dated 25 July 2022 refers.

The Department of Mineral Resources and Energy (hereafter referred to as "the Department") has evaluated the information contained in the Final Scoping Report (FSR) and the Plan of Study for the Environmental Impact Assessment (EIA) and is satisfied that the documents comply with the minimum requirements of Appendix 2(2) of the National Environmental Management Act, 1998 (Act 107 of 1998): Environmental Impact Assessment Regulations, 2014 (hereafter referred to as "EIA Regulations, 2014"). The FSR is hereby accepted in terms of Regulation 22 (a) of the EIA Regulations, 2014. You may therefore proceed with the EIA in accordance with the tasks contemplated in the Plan of Study for the EIA submitted with the FSR and appendices 3-6 of the EIA Regulations, 2014.

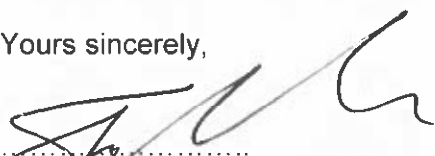
You are required to consider the following as you proceed to the next phase of the EIA process:

1. Issues and comments raised during the scoping phase must be considered and addressed further during the EIA phase.
2. The potential environmental and socio-economic impacts of leaving the well-head in situ, considering current and future marine uses, must be assessed.
3. An in-depth assessment of the potential impact of the proposed drilling activity on Critical Biodiversity Areas (CBA 1 and CBA 2) must be conducted and appropriate mitigation measures provided.
4. Financial provision for decommissioning the well must be determined in accordance with the Regulations Pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations, 2015. In addition, a specialist must undertake the determination of quantum.

You are required to submit one hard copy and a soft copy of the final EIA report, Environmental Management Programme, and any supporting documentation to the Petroleum Agency SA within 106 days from the date of this decision.

Please contact the aforementioned if you need clarity on any matter raised.

Yours sincerely,



MR TSELISO MAQUBELA

DEPUTY DIRECTOR-GENERAL: MINERAL AND PETROLEUM REGULATION

DATE: 29/08/2022



**mineral resources
& energy**

Department:
Mineral Resources and Energy
REPUBLIC OF SOUTH AFRICA

Attention: Mr. Jeremy Blood
SLR Consulting (South Africa) (PTY) LTD
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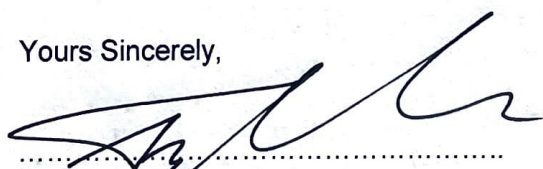
Dear Mr. Blood

**ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT FOR A PROPOSED OFFSHORE
EXPLORATION WELL DRILLING IN BLOCK 5/6/7, SOUTH-WEST COAST, SOUTH AFRICA:
REQUEST FOR AN EXTENSION FOR SUBMISSION OF THE FINAL EIA REPORT**

Your letter dated 16 November 2022 refers.

You are hereby advised that your request, in terms of Regulation 3(7) of the Environmental Impact Assessment Regulations 2014 (as amended), to extend the deadline for the submission of the final Environmental Impact Assessment (EIA) report is granted. You are therefore required to submit the final EIA report on or before the 31st of January 2023.

Yours Sincerely,



MR TSELISO MAQUBELA

DEPUTY DIRECTOR-GENERAL: MINERAL AND PETROLEUM REGULATION

DATE: 29/11/2022