

Petroleum Agency SA

Tygerpoort Building · 7 Mispel Street · Bellville 7530 · P.O. Box 5111 Tygervalley 7536 · South Africa
Tel: +27 21 938 3500 · Fax: +27 21 938 3520
E-mail: plu@petroleumagency.com



15 December 2015

Enquiries: P Ngesi

Our Refs: 12/3/291, 12/3/294 and 12/3/295

Attention: Mr Matthew Hemming

SLR Consulting (South Africa) (Pty) Ltd

P.O. Box 1596

Cramerview

2060

RE: RHINO OIL AND GAS EXPLORATION SOUTH AFRICA – APPLICATIONS FOR ENVIRONMENTAL AUTHORISATION (EA) IN SUPPORT OF EXPLORATION RIGHTS FOR PETROLEUM ON VARIOUS FARMS IN THE KWAZULU-NATAL, FREE-STATE, GAUTENG, MPUMALANGA AND EASTERN CAPE PROVINCES (12/3/291 ER, 12/3/294 ER, 12/3/296 ER)

This letter refers to your correspondence dated 26 November 2015 regarding issues raised during public participation process in which you were requested by Interested and Affected Parties to put forward for our attention and response. We would like to respond and/or comment to issues raised as follows:

ISSUE 1: EXISTING MECHANISMS FOR ADDRESSING OBJECTIONS

The National Environmental Management Act, 1998 (Act 107 of 1998) ('NEMA') dispensation does not provide for any mechanism to address objections, however, it requires the Environmental Assessment Practitioner (EAP) to consider and address all issues and concerns raised by the Interested and Affected Parties and include records thereof in the reports to be submitted to the competent authority. It is therefore expected that as part of the

Directors: M P Fusi (Chairperson)

B Luthuli R Nkambule T Ramuedzisi L Nengovhela *L Mekwe (*Executive)

Company Secretary: Adv E Hendricks

Subsidiary of CEF SOC Ltd.

South African Agency for Promotion of Petroleum Exploration and Exploitation SOC Ltd No. 1999/015715/30.



EIA process, the EAP considers issues raised and engage with the respective parties with an objective to either resolve or provide clarity to the issues raised.

Furthermore, section 10 of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002), makes provision for the Regional Mining Development and Environmental Committee (RMDEC) to consider and advise the Minister of Mineral Resources ("the Minister") on objections received in respect of applications for permits and rights. Therefore, all objections received in respect of the applications in question will be sent to the relevant RMDEC's for consideration before any decision to grant or refuse the exploration rights applications is made by the Minister. However, before RMDEC deliberates on objections, we provide the applicant an opportunity to engage with the objecting parties with an objective to resolve and/or provide clarity on objections.

ISSUE 2: INCLUSION OF PRODUCTION ACTIVITIES IN THE SCOPE OF THE CURRENT EIA

The current EIA process is aligned to the proposed exploration work programme submitted with an application for exploration right. It is therefore not mandatory at this stage for the applicant to assess activities outside the scope of the proposed work programme. However, if the exploration right is granted and the applicant wants to pursue production activities or any activities beyond the scope of the proposed work programme, an application for environmental authorisation for such activities would have to be obtained. This process will provide an opportunity for further engagements with I&APs and allow for in-depth assessment of issues associated with production activities.

ISSUE 3: EXTENSION OF THE KAROO STRATEGIC ENVIRONMENTAL ASSESSMENT TO THE AREAS OF APPLICATIONS

The scope and terms of reference for the Karoo Strategic Environmental Assessment were finalised and the assessment has commenced. The Department of Environmental Affairs is the main driver of the SEA process and any requests for extension can be directed to this department for its consideration.

Directors: M P Fusi (Chairperson)

B Luthuli R Nkambule T Ramuedzisi L Nengovhela *L Mekwe (*Executive)

Company Secretary: Adv E Hendricks

Subsidiary of CEF SOC Ltd.

South African Agency for Promotion of Petroleum Exploration and Exploitation SOC Ltd No. 1999/015715/30.



ISSUE 4: GRANTING AN EXTENSION OF TIME WITHIN THE EIA PROCESS TO ALLOW FOR EXTENSIVE PUBLIC PARTICIPATION PROCESS

Regulation 3(7) of the NEMA EIA Regulations makes provision for the competent authority to extend the timeframes in the event where the scope of work must be expanded based on the outcomes of the assessment done in accordance with EIA Regulations, which outcome could not be anticipated prior to undertaking the assessment, or in the event where exceptional circumstances can be demonstrated. Furthermore, Regulation 23(1)(b) makes provision for the extension of timeframe to submit the Environmental Impact Assessment Report provided significant changes have been made or significant new information has been added to the environmental impact report or EMPr, which changes or new information was not contained in the reports subjected to consultation during the initial public participation process. It is under these bases that the Agency can consider any requests received in writing from the EAP or applicant to extend the timeframe.

ISSUE 5: TERMINATION OF THE CURRENT EIA TO ALLOW FOR EXCLUSION OF INCOMPATIBLE AREAS AND RELODGMET OF NEW EIAs FOR THE REVISED AREA

It is our view that the EAP has a responsibility to identify environmental attributes within the exploration right application area (which attributes may include sensitive environment, protect areas, etc.), assess the potential environmental impacts and risks that may arise as a result of the proposed activities and provide appropriate mitigation measures. In doing so, the EAP has an obligation to apply and take into consideration the provisions of relevant environmental legislation.

We have no authority as the regulator to direct the EAP or the applicant to stop the Exploration Right/Environmental Authorisation (ER/EA) applications to allow for the removal of incompatible areas and re-lodgement of the new EA. Our role as the Agency is to evaluate the documentation received in respect of the applications for environmental authorisations and determine if it is in line with the provisions of NEMA and other relevant legislation and make necessary recommendations. For instance, where the law prohibits exploration activity in a protected environment, our recommendations will be aligned with the specific provision of that particular legislation to ensure that the specified environment receives necessary protection.

Directors: M P Fusi (Chairperson)

B Luthuli R Nkambule T Ramuedzisi L Nengovhela *L Mekwe (*Executive)

Company Secretary: Adv E Hendricks

Subsidiary of CEF SOC Ltd.



Should you have any queries, please do not hesitate to contact us.

Kind regards,



Mr Tebogo Motloun

General Manager: Regulation Division (Acting)

Directors: M P Fusi (Chairperson)

B Luthuli R Nkambule T Ramuedzisi L Nengovhela *L Mekwe (*Executive)

Company Secretary: Adv E Hendricks

Subsidiary of CEF SOC Ltd.

South African Agency for Promotion of Petroleum Exploration and Exploitation SOC Ltd No. 1999/015715/30.

