

05 November 2013

DEA Reference: 14/12/16/3/3/1/54

Attention: Ms Jenna Lavin
Organisation: SAHRA

RECTIFICATION OF UNLAWFUL COMMENCEMENT OR CONTINUATION OF A LISTED ACTIVITY IN TERMS OF S24G OF THE NATIONAL ENVIRONMENTAL MANAGEMENT ACT, 1998 (ACT NO. 107 OF 1998), AS AMENDED - UNDERGROUND COAL GASIFICATION PILOT PLANT PHASE 1, AMERSFOORT, MPUMALANGA

Our telephonic on 04 November 2013 refers.

1. Background (Case 756 on SAHRIS)

An integrated EIA and waste management licensing process (*DEA Ref 14/12/16/3/3/61*) is currently underway for the co-firing of gas, produced by the Underground Coal Gasification (UCG) operations, at the Majuba Power Station (in compliance with the EIA Regulations (2010) published in Government Notice No. R. 543 to No. R. 546 and read with Section 24 (5) of the National Environmental Management Act - NEMA (Act No 107 of 1998) - as amended, as well as the National Environmental Management: Waste Act – NEM:WA (Act No 59 of 2008).

The UCG gasification operations will take place on Portions 1, 2, 3 and remaining extent of the farm Roodekopjes 67HS (Eskom-owned) located within Pixley ka Seme Local Municipality in Mpumalanga. The total extent of the farm is 2449 ha and it is anticipated that approximately 1450 ha will be mined using UCG technology. The site is adjacent to the Majuba Power Station. Associated infrastructure such as a wastewater treatment works and site offices are located on Portion 21 of the farm Bergvliet 65HS. In addition, a new service road will be constructed from the site offices mentioned above to the UCG pilot plant. The road will traverse Portions 4 and 5 of the farm Rietfontein 66HS. A 30 m servitude has been registered in Eskom's name in this regard.

On 02 April 2013, the final Environmental Scoping Report (ESR) was accepted by the DEA. The compilation of the draft Environmental Impact Assessment Report (EIAR) was compiled thereafter. A Heritage Impact Assessment was conducted for the farm Roodekopjes 67HS (Portions 1, 2, 3 and remaining extent) as well as for the new service road. This HIA report as well as PIA report was uploaded onto the SAHRIS system and assigned the case number 756.

2. 24G Rectification Application (Case 3873 on SAHRIS)

During the ESR phase for the Case 3873, irregularities in the permitting of the existing Pilot Plant were noted and thus a rectification process was entered into for portions of the existing infrastructure not covered by the existing permits. As such the draft EIAR cannot be concluded at this point as it may not be submitted prior to the environmental authorisation for rectification being issued by the DEA (*Ref 14/12/16/3/3/1/54*). All contraventions are listed below (these areas will be mapped on SAHRIS):

- Pipelines internal to site: main gas pipeline to Majuba Power Station.
- Raw water dam: ± 3,000 m³ situated within the Gasifier 1 footprint serving as emergency water supply.
- Condensate (process water) dam: ± 12,000 m³ in size situated within Gasifier 1's footprint.
- Borrow pit: ± 2.5 ha, established on the farm Roodekopjes 67HS – developed to fill up an old borrow pit on the same farm and for construction of the project's roads.
- Access and service roads: new roads developed to access the Pilot Plant infrastructure of approximately ± 6.7 km, crossing 4 (four) watercourses.
- Gas Treatment Plant (GTP): simplified pilot version established with a footprint of 30 x 60 m consisting of (a) heat exchanger, (b) liquid separation vessels, (c) emergency gas flare stack, (d) auxiliary pumps and motors, and (e) other small equipment.



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- Hazardous substance storage: bulk storage diesel tanks 2 x 23 m³ (46 m³) within a bunded area.
- Water treatment plant (WTP): water filtration plant with 2 x 23 m³ (46 m³) tanks that are used for the separation of water and waste.

All illegal activities commenced on the farm Roodekopjes 67 HS (Portions 1, 2, 3 and remaining extent) where the UCG Pilot Plant and associated infrastructure are located. As mentioned in Point 1 above, the HIA and PIA were already compiled for the farm Roodekopjes 67HS in support of the EIA Study mentioned in Case 756.

Please do not hesitate to contact me should you require further clarity.

Regards

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