

FREQUENTLY ASKED QUESTIONS

FAQs to respond to queries received regarding our proposed LNG project - Zululand Energy Terminal at the Port of Richards Bay in South Africa

1. Who are the joint venture partners of the project and what is the purpose of the project?

The company is a joint venture of Vopak Terminal Durban (which include Vopak and Reatile as shareholders) and Transnet Pipelines. The purpose of the project is to serve the South African market with an LNG import solution to help provide energy security and accelerate the decarbonisation journey.

2. What does it mean that Transnet National Ports Authority (TNPA) has appointed the Vopak & Transnet Pipelines as the preferred bidder to develop and operate a LNG terminal at the Port of Richards Bay?

This means that Vopak & Transnet Pipelines participated in a competitive bidding process and will now exclusively negotiate a Terminal Operator Agreement (Port Concession) with Transnet National Ports Authority (TNPA).

3. What is an Open Season process and what can be expected from it?

An open season process is a public capacity allocation process. We can expect a transparent selection for potential customers through this process.

4. I am interested in being a reseller. How do I sign up?

To express your interest please complete the EOI table attached on the website and submit the response to commercial@zlet.co.za before 12 April 2024 at 17:00 (SAST).

5. What are the timelines of the LNG Infrastructure Term Sheet in relation to Bidding into the Gas to Power RFP, issued by the IPP Office?

The timelines have not yet been finalized and will be done so based on EOI responses received. We will keep in mind the IPP Office timelines in our processes.

6. I would like to become a shareholder, is that possible?

Currently we are not looking for new shareholders for this project.

7. I would like to join the team, are you hiring?

We will primarily be relying on Vopak's established hiring process, please visit <https://www.careersatvopak.com/vacancies> for open positions.

8. Do we plan to build a pipeline?

We will only build a short distance pipeline (approximately 25 km) to connect the terminal to the grid and other nearby customers.

9. Will we also build a powerplant?

We have no plans of building a powerplant.

10. How will the LNG be distributed from Richards Bay?

Regassified LNG will be distributed via a new gas transmission pipeline, which will connect with the existing Lilly pipeline near Empangeni and provide an offtake facility for other customers in the area. We will also have facilities to enable LNG truck loading, marine bunkering and reloading.

11. What is the environmental impact of using LNG as a fuel?

LNG is the cleanest burning fossil fuel and is widely considered as an intermediate solution for moving from high emission fuels, such as coal, to renewable energy. LNG can be used in load following applications to complement the intermittent nature of renewable energy generation. That said, the main driver behind the project is an issue of energy security for South Africa.

12. Is it important for my company to have a BBBEE rating?

At the moment there are no BEE requirements for submitting a response to the EOI but as we reach binding stages of the process we will communicate any BEE requirements that are necessary to comply with.

13. How is Vopak planning to deal with the possible conflict of interest between the company and Reatile when it comes to this EOI? Will Reatile be eligible to submit the EOI and bid at a later stage?

Reatile is a shareholder of the consortium, however is not barred from participating in the EOI or later stages. The consortium is bound to act as per the terms of the TNPA RFP and NERSA regulations and therefore any participation by Reatile will be handled as an arms length transaction.

14. We have assumed that Vopak/TPL is taking care of the new pipeline link to the Lily pipeline at Empangeni to enable the inland distribution of LNG. We also assume that the delivery date for the piped infrastructure is synced with the port development for delivery in 2027. Could you please confirm if our assumption is correct?

The scope of the project includes a tie-in to Empangeni and the planned timeline is for this link to be operational at the same time as the terminal.

15. Who will the customers sign the TUA with? Will this be with Vopak/TPL or TNPA? (Refer to Clause 1.2)

TUA will be signed with a new SPV to be formed by Vopak Terminal Durban and Transnet Pipelines

16. What is the methodology used for the Phase 1 capacity of 2 MPTA? If the market input indicates otherwise, how will that affect the overall project timelines?

2 MTPA is the capacity at which we expect the terminal can be bankable. No change in timelines is expected in case of higher market demand.

17. To whom should we submit the EOI, since the entities, Vopak and TPL, are two different organizations?

Please submit the response to the email address indicated in the EOI - commercial@zlet.co.za

18. Is the Phase 2 LNG tank onshore or offshore? Could you please confirm?

Phase 2 LNG tank is planned to be Onshore.

19. For the EOI response table - item 6, LNG Supply: We have assumed that no term sheet is required for this first submission. We believe that details of the source of supply will be sufficient.

No Term Sheet is required at this stage. Please indicate what your current planning basis is.

20. Are there any permit requirements?

The consortium will be applying for permits required for its scope. The expectation is that the customer will meet all the permit requirements related to their own scope.

21. When will the terminal begin construction? What will be the timeframe for completion of the terminal?

Current planning basis is to take FID end of 2025 and have Phase 1 commercial operations by mid of 2027.

22. Where can I download the EOI form?

The EOI and the table that needs to be submitted can be downloaded from the [website](#) in the 'Become our Customer' section.

23. The purpose of the project is to serve the South African market with an LNG import solution, but are there likely to be international interests too? That is, from global corporations?

All local and international players are eligible to participate in the EOI process

24. How do I become a vendor?

This is not the purpose of the current EOI. A separate process (if required) will be run for this.