



ALLOCATION MECHANISM

As required by Regulations published under GNR 342 Government Gazette No. 30905 of 4 April 2008 in terms of the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003).

Allocation Mechanism contents: -

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1. Introduction

1.1 Licence details: -

SA Tank Terminals (Pty) Ltd, a wholly owned subsidiary of RFI (Pty) Ltd has been granted a licence for the Operation of a Petroleum Storage Facility (PPL.SF.F3/107/2011) in addition to a tariff allocation by Nersa.

1.2 Tariff details: -

SA Tank Terminals has calculated the tariff based on the total AR for the storage terminal divided by the projected volumes in liters for the 2013 / 2014 tariff period. This tariff has been calculated to be 28c per litre exclusive of VAT.

1.3 Allocation of capacity: -

The allocation of capacity will be done via the terminal, SA Tank Terminals.

2. Process to be followed when requesting capacity

Potential facility users are requested to make application for storage by providing the following information:

2.1 E-mail request to dawn@sa-tank.co.za (Dawn Benyi – Commercial Manager SA Tank Terminals) or gavin@refinex.co.za (Gavin Markgraaff – Managing Director RFI (Pty) Ltd)

2.2 Specify company name, contact person and details.

2.3 Indicate the trading name of the company including registered business licenses.

2.4 Specify the nature and type of product(s) to be stored, including the relevant SDS for the product(s) to be stored.

2.5 Indicate the volume(s) of product(s) to be stored including the time period that storage is required in litres and cubic meters.

2.6 Specify the mode of receipt and dispatch of product into and out of the terminal

2.7 Specify any technical service requirements that may be required, for example, heating, nitrogen blanketing.

All potential terminal users will be notified within seven (7) days of receipt of the above information whether SA Tank Terminals is able to accommodate the requirements.

If SA Tank Terminals has the required capacity, a formal rates proposal will be sent to the potential terminal user. If the rates proposal is accepted, this will be formalised by commercial documents which include a rates schedule and bulk storage agreement detailing the terms and conditions of the terminal. Upon return of all the signed documents, together with the credit application, capacity will be provided to the new facility user.

3. Terms and Conditions

Storage capacity is allocated on a "first come, first served" basis. SA Tank Terminals will exercise their right to remove capacity that has not be taken up on the said date – as per a "use it or lose it" principle.

Reasonable written requests for an extension to the contracted date will be considered and the agreement reviewed accordingly.

Trading terms and conditions are detailed in the bulk storage agreement which will be provided with the rates schedule.

4. Technical Requirements

SA Tank Terminals has been registered as a MHI (Major Hazard Installation) in terms of the Occupational Health and Safety Act with the Department of Labour. The terminal has strict access requirements in order to ensure the health and safety of all personnel entering the terminal.

All vehicles entering the terminal are required to adhere to the National Road Traffic Act (1996) and Regulations, particularly with reference to the carriage of hazardous goods.

5. Tariff determination

A copy of the relevant tariff information is available upon request.