



NATCOS JOINT VENTURE FACILITY

PPL.sf.p.F3/358/2025 (Natcos Crude Storage Tanks)

The Allocation Mechanism and Requirements for Access to the Natcos Crude Storage Tanks

Updated: June 2026

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1. Background

Sasol Oil (Pty) Ltd (Registration number: 1981/007622/07, herein referred to as “Sasol Oil”) and Prax South Africa (Pty) Ltd (Registration number: 2023/971804/07, herein referred to as “PraxSA”) (Sasol Oil and PraxSA are collectively referred to as “Licensees”) co-own the land and the crude oil storage facilities located at Prospecton, Durban, South Africa (“Natcos Crude Oil Storage Facility”) as follows:

- Sasol Oil 63.64%
- PraxSA 36.36%

(each of Sasol Oil and PraxSA’s interest is herein referred to as the “Participation Ratio”).

The Natcos Crude Oil Storage Facility is being managed and operated, for and on behalf of Sasol Oil and PraxSA (herein collectively referred to as “the Licensees”), by National Petroleum Refiners of South Africa (Pty) Ltd (Registration number: 1967/012994/07, herein referred to as “Natref”)

Sasol Oil and Prax SA regulate their relationship as co-owners in the Natcos Crude Oil Facility through an unincorporated joint venture .

2. Crude Storage Tanks

2.1. Tank background and layout

The Natcos Crude Oil Storage Facility is primarily a bulk crude oil storage facility consisting of 15 tanks which is only able to receive crude oil from the Single Buoy Moor (SBM) and discharge into the Crude Oil Pipeline (COP). The only available evacuation from the crude storage facility via the COP is into the Natref manufacturing tanks.

The Natcos Storage Facility is classified as Major Hazardous Installation under the Occupational Health and Safety Act 85 of 1993 and is declared as a National Key Point under the National Key Points Act 102 of 1980.

Although the Natcos Storage Facility is operated under a single license, Natref operates the facility as two virtual facilities, with each of the Licensee’s utilisation in the facility being in relation to their Participation Ratio in the Natcos Crude Oil Storage Facility.

2.2. Natcos Crude Oil Storage Facility

The Natcos Crude Oil Facility consists of fifteen crude oil storage tanks with a combined capacity of 477,164m³. Crude is comingled within the existing tanks based on crudes of similar qualities to ensure sufficient capacity and ullage. The facility is operated as a throughput facility i.e. storage within the crude tanks is limited to a 24 hour period maximum and non-adherence to this time limit could lead to operational constraints and demurrage costs.

3. Requirements for access to Natcos Crude Storage Facility

3.1. Allocation of uncommitted capacity

The Licensees use the Natcos Crude Oil Storage Facility as throughput storage facility. Crude discharged from the SBM is transferred into the Natcos Crude Oil Storage Facility and then moved to Natref via the Transnet COP.

The available capacity shows frequent changes as crude oil is imported and dispatched from the facility within 24 hours. Available capacity is therefore determined by both the volume available and the duration for which the capacity will be available and this is determined during the planning phase. The Licensees share the available capacity at the Natcos Crude Oil Storage Facility and as such, there is a coordinated six month rolling plan to ensure that the total available capacity is never exceeded. In addition, maintenance at the Natcos Crude Oil Storage Facility will impact the availability of capacity and as such is built into the six month plan.

The period for which the capacity will be available is important as the Licensees continuously fill up their available capacity and then transfer the crude out of the Natcos Crude Oil Storage Facility. Capacity will be made available to Prospective Applicants on a first come, first serve basis, should a third party successfully apply for capacity ("Successful Applicant"), the specific volume and duration of storage required by the Successful Applicant will be negotiated on a case by case basis.

The crude oil will only be accepted if there is available capacity and is compatible and approved to be stored in the facility noting that the crudes are comingled and certain crudes are not compatible may "contaminate" existing crude in tank.

The Natcos Crude Oil Storage Facility is operated as a throughput facility and any allocated capacity must be evacuated within the agreed timeframe of 24 hours or less.

3.2. Logistical requirements

The Natcos Crude Oil Storage Facility only serves as a throughput facility and as such does not have any loading/offloading gantries for either road or rail. Any crude oil that the Successful Applicant needs to temporarily store (for 24 hours or less) at the Natcos facility needs to be imported via ship or transferred from another storage facility which is connected to this facility. In addition, crude oil transferred from the Natcos Crude Oil Storage Facility can only be evacuated via pipeline. However at the moment the only pipeline is COP which is only connected to the Natref Refinery. The successful applicant would need to indicate they have completed the necessary tie-ins approved by Transnet National Port Authority to use the COP and evacuate any crude brought into the COP.

3.3. Quality and Technical Specifications

Only crude oil that meets the quality specifications as specified from time to time by the Licensees for all crude oil at the Natcos Facilities will be allowed in the tanks. In order to minimize storage costs, crude oil of similar properties are co-mingled in the Natcos Crude Storage Facility regardless of ownership. No Prospective and/or Successful Applicant or Licensee may claim entitlement to a dedicated tank. Crude co-mingling will be managed by Natref based on existing crude segregation rules and it should be noted that certain crudes cannot be comingled. Therefore evaluation of available uncommitted capacity will be based on the crude the applicant wishes to store and the available tanks that allow for co-mingling of that specific crude.

Any Successful Applicant must submit full documentation from the source of supply in reference to the quality of crude oil, must be willing to provide samples for Natref internal testing before pumping to the storage tanks and provided crude oil must be fungible with the crude oil currently being stored and handled in the Natcos Crude Oil Storage Facility being applied for.

The Natref are not obliged to receive into or store in the Natcos Crude Oil Storage Facility any crude oil, unless an independent quality certificate can be produced to prove that the crude oil meets the agreed minimum specifications.

Should any Successful Applicant transfer crude oil to the tanks, and the tanks are analysed to be off-specification subsequent to the transfer, the Successful Applicant will be responsible to return the crude oil in the tanks to the quality it was before the transfer, either by replacing the contents, or by blending additional components that return the tank to being within specification.

3.4. Operational Requirements

Please note there would be additional operational requirements if an applicant is successful. These will be communicated to the Successful Applicant during the scheduling process. These include crude oil source certificates to be made available, necessary licenses for import of crude oil and final destination post evacuation from the site, such that suitability for use of the facilities can be confirmed.

4. Process for Application

The process to be followed by third parties (“Prospective Applicants”) when requesting access to Natcos is detailed in this section.

4.1. Format of application

The application for request for access to capacity at the Natcos Crude Oil Storage Facility must be in the form of a written letter.

4.2. Information to be included in the application

The information to be included in the application must contain:

- Full name of the third party (“Prospective Applicant”), registration number and contact details of the company applying for capacity.
- Period and duration for which utilisation is required.
- Type and volume of crude oil that the request is for.

4.3. Submission Details

Applications should be addresses to either (or both) license holders:

- Sasol Oil (Pty) Ltd:
 - Business Development Manager: Natref and Natcos JV
 - Physical Address: 50 Katherine Street, Sandton, 2196
 - Postal Address: PO Box 5456, Johannesburg, 2000
 - Email: soraya.thomas@sasol.com

Please note that any application to request access to the Natcos Crude Oil Facility to the Natcos Crude Oil Facility Management will be referred to both Licensees.

The Prospective Applicant will be required to conclude a third party access agreement with the Licensees.

4.4. Further Correspondence

Follow up can be made at the same email address used for applications.

Sasol Oil response to the application will be provided as follows:

- Within 7 working days to confirm receipt of application.
- Within 28 working days to provide a response to the application.

4.5. Vetting of applicants

The Prospective Applicant must have the necessary licenses, permits, etc. (i.e. meet all regulatory requirements).

Third party access will only be allowed if the Prospective Applicant has all the contracts in place for the transfer of the crude oil to a different facility within the available capacity window. Upon receipt of application and during the vetting process, further documents may be requested to ensure that the Prospective Applicant has the necessary licenses and permits to import the crude.

4.6. “Use it or lose it” principle

Due to the nature of the operation of the Natcos Crude Oil Storage Facility, available Capacity is not a constant and may or may not be available at any one time. It is therefore important to note that if a Successful Applicant requests Capacity and it is available, then this Capacity will only be available for the volume and period as planned for. If the Successful Applicant cannot utilise the Capacity as and when agreed, this opportunity will lapse and the Successful Applicant will need to go through the whole process again (use it or lose it principle).

5. Tarriff Schedule

5.1. Natcos Tarriff

The approved maximum NERSA tariff will be applied. In addition to the prescribed NERSA fees, the Licensees may charge a handling fee to be communicated at time of approval.

The commercial details will be discussed and negotiated on approval of the application.

5.2. Duties and Taxes

The successful applicant will be responsible to ensure they have the relevant licenses and documentation for the import and storage of crude oil. The successful applicant will be responsible for the relevant duties, levies and taxes. Third party access will only be allowed when all relevant duties, levies and taxes have been paid to the relevant authority.

5.3. Demurrage Costs

If the successful applicant is unable to discharge their crude oil from the storage tanks within the agreed timelines, this will result in planned available ullage not being available for the Licensees and may result in demurrage costs. In such a circumstance, the successful applicant shall be responsible for any demurrage and any related costs incurred by the Licensees for the time that the Successful Applicant occupied the storage tanks outside the allotted window.

Post approval of the application of the Prospective Applicant, the details regarding any commercial arrangements which will include potential penalties will be discussed further.

6. Return of Crude

The details pertaining to the exact details of return of crude will be discussed after approval of the application noting comingling of crudes will take place.

6.1. Gains and Losses

Every month-end, the Natref will report on crude oil levels so that the reports indicate crude oil levels per storage tank. The crude oil levels may or may not be the same as the virtual crude oil recorded on the Management Information System. The variance between physical and virtual stock may result in Gains or Losses.

Gains and Losses in respect of a crude oil grade will be apportioned between all crude oil owners on a pro-rata basis; and determined by each party's total usage for the relevant accounting period. The total usage per period is determined from the total volume transferred (or moved) through the storage tanks in the period.

Crude oil in non-dedicated pipelines will be negotiated with Successful Applicants on a case by case basis and will depend on whether a transfer through such a pipeline is specifically for the Successful Applicant or is part of "normal" operations.

6.2. Access to other parties

Successful Applicants may appoint independent surveyors but such appointments must be done in consultation with the Natcos Facilities Management in order to ensure compliance with SHERQ requirements.

The costs of all such appointments shall be for the Successful Applicant.

7. Sanctions

For the purposes of this clause the following definitions will apply:

"Sanctions" means travel, trade, economic or financial sanctions provisions, laws, regulations, embargoes or restrictive measures imposed, administered or enforced from time to time by a Sanctions Authority.

"Sanctions Authority" means:

- the United Nations
- the European Union
- the Government of the United States of America;
- the Government of the United Kingdom; and
- any of their governmental authorities.

"Sanctioned Country" means the Russian Federation and any country or territory which is, or whose government is, subject to comprehensive (broad-based and geographically oriented) Sanctions (currently Iran, Cuba, Syria, North Korea as well as the Crimea, Donetsk and Luhansk regions of the Ukraine).

"Sanctioned Entity" means:

- a person or entity, which is listed on a list issued by a Sanctions Authority or is otherwise subject to Sanctions;
- a person which is ordinarily resident in Sanctioned Country;
- an entity that is located or incorporated in a Sanctioned Country; and/or



- an entity that is owned or controlled by a Sanctioned Entity.

Given the respective international scope of operations of the parties, the Parties acknowledge that the Sanctions laws that each of the Parties have to comply with may differ. The Parties further acknowledge that the actions of a Party could cause another Party to be non-compliant with the Sanctions that apply to that Party.

The Parties therefore undertake not to take any action or participate in or facilitate transactions that would result in a breach of Sanctions or cause another Party to be in breach of Sanctions that apply to that Party.

Accordingly, notwithstanding any provision in this or any other agreement, no Party shall be required to undertake any action under this Agreement that would constitute a violation of, contravene, or risk exposure to designation under Sanctions.

Furthermore, the Parties commit not to use the loading or storage facilities for crude that is procured from a Sanctioned Entity, that originated from a Sanctioned Country or is in any other way subject to Sanctions.

Each Party confirms that it is not a Sanctioned Entity, not owned or controlled by a Sanctioned Entity and that, to the best knowledge of such Party, neither its directors, officers, employees, or agents, or the directors, officers, or agents of its subsidiaries, is a Sanctioned Entity.

Any Party shall be entitled, without incurring any liability, to terminate or suspend this Agreement with immediate effect if another Party failed to comply with the undertakings provided in these Sanctions clauses, if its performance of this Agreement is in any way restricted by Sanctions, or if it could expose such Party to the risk of punitive measures under Sanctions.

8. Safety, Health and Environment

The Licenses accept responsibility for the crude oil from where it enters the crude oil storage facility until the point where it exits the boundary (battery limits of the crude oil storage facility). The exact location of transfer of responsibility will be highlighted upon acceptance of the application.

The Licensees do not accept responsibility for any incidents that impact the environment (e.g. spillages at ship) or the safety and health of any people that occur outside of these transfer points. The successful applicant is responsible for all incidents outside of these boundaries, including but not limited to, clean up of any spilled crude oil and rehabilitation of contaminated earth.

9. Confidentiality

During the planning process and operation of the Natcos Crude Oil Facility, information will be shared that may be deemed confidential. Accordingly, no party may disclose confidential information pertaining to another party, without written consent of the owner of the confidential information.

10. Adherence to Applicable Laws

The Successful Applicant will warrant that it is and will always be in compliance with all laws and policies applicable to the import, processing and distribution of Crude Oil, including but not limited to, South African Revenue Service (SARS), Department of Energy (DoE), National Energy Regulator of South Africa (NERSA) and the Department of Trade and Industry (DTI) requirements.

In addition, any Successful Applicant will indemnify and holds harmless the licensees to any claims, etc, arising out of such non-compliance.

Any Successful Applicant must at all time adhere to Natcos Crude Oil Facilities Management SHEQ (Safety, Health, Environmental and Quality) rules.

11. Non-adherence

Should the Successful Applicant not adhere to the allocation mechanism or any other criteria set-out in this document or operations of the facility, the following remedies will apply:

- Common law remedies will apply where appropriate;
- If the Successful Applicant exceeds their portion of the allocated ullage for a period exceeding that agreed, the Successful Applicant :
 - must rectify the situation as soon as possible; and
 - will be liable for all holding costs (e.g. tank rentals etc.) on a pro-rata basis, calculated based on the magnitude by which their portion of the allocated ullage has been exceeded.
 - will be liable for all direct costs associated with the impact on licensee ullage constraints, e.g. demurrage costs.
- No party will be liable for consequential losses.