

Transnet Pipelines Issues an Expression of Interest for the Repurposing of the Lilly Pipeline

Durban, South Africa, 6 August 2024 - Transnet Pipelines (TPL), a division of Transnet SOC Ltd, has issued an Expression of Interest (EOI) for a strategic project to transition the Lilly Gas Pipeline from transporting Methane Rich Gas (MRG) to regasified Liquefied Natural Gas (LNG). The project aligns with Transnet's commitment to bolster South Africa's energy infrastructure and support the country's growing demand for natural gas.

Transnet is committed to spearhead the development of the natural gas sector in South Africa. With the demand for natural gas expected to rise significantly, Transnet is proactively developing the LNG value chain to safeguard South Africa's strategic interests. This initiative positions Transnet's Natural Gas Networks business as a vital contributor to the country's long-term economic growth and transformation.

The Lilly Pipeline currently transports approximately 500 million cubic meters of MRG annually from Secunda via Empangeni to Durban, with key offtake points along the route. The project entails:

- Constructing an intake station near Empangeni to connect with the Zululand Energy Terminal (ZET) as the source point at the Port of Richards Bay
- Splitting the flow at Empangeni to allow bi-directional flow towards Durban and Secunda.
- Debottlenecking and modeling the pipeline for maximum future capacity to meet market demand and secure commercial agreements.

On 9 January 2024, Transnet National Ports Authority (TNPA) appointed the Transnet Pipelines and Vopak Terminals Durban consortium to develop and operate the LNG terminal at the Port of Richards Bay, named the Zululand Energy Terminal (ZET). This terminal will be a crucial hub for importing LNG, which will be integrated into the Lilly Pipeline network.

TPL has invited interested parties to submit EOI to secure pipeline capacity on the repurposed Lilly Pipeline. The EOI process will help TPL assess market interest and demand, which will inform the pre-feasibility study and future request for proposal (RFP) processes.

This EOI is non-binding and aims to gather preliminary market interest. TPL reserves the right to amend, modify, or withdraw this EOI without prior notice. Interested parties must submit their responses by 30 August 2024, at 17:00 (SAST).

This EOI may be downloaded directly from National Treasury's e-Tender Publication Portal at www.etenders.gov.za or the Transnet Portal at <https://transnetetenders.azurewebsites.net>

For more information on the EOI submission process and project details, please contact Transnet Pipelines, Head: Business Development, Kresen Naicker on Tel: +27 83 361 2300, mobile: +27 83 278 6360 or via e-mail: Kresen.Naicker@transnet.net

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About Transnet Pipelines

Transnet Pipelines, a division of Transnet SOC Ltd, is a critical component of South Africa's energy infrastructure with over 55 years of experience. The company operates and maintains a 3,114-kilometer network of high-pressure petroleum and gas pipelines. This network transports crude oil, refined petroleum products, and methane-rich gas from South Africa's ports and inland refineries to customer distribution depots across the industrial heartland and KwaZulu-Natal. The pipelines traverse five provinces: KwaZulu-Natal, Free State, Mpumalanga, Gauteng, and North West, and include a 30 million litre tank farm in Tarlton for storage and distribution via rail and road.

Issued on behalf of Transnet Pipelines Chief Executive, Mr Sibongiseni Khathi

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