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## **PetroSA AND ROSGEO SIGN MULTI-MILLION DOLLAR AGREEMENT TO DEVELOP OIL AND GAS BLOCKS IN SOUTH AFRICA**

**XIAMEN, PR OF CHINA, 04 September 2017** – PetroSA, the Oil and Gas Corporation of South Africa, and Rosgeo, geological exploration company of the Russian Federation, have today signed an agreement that will see about US\$400 Million invested in oil and gas development.

The agreement was signed in the presence of Ministers of Energy at the 9<sup>th</sup> Annual Brics Summit currently underway in Xiamen, Peoples Republic of China.

The agreement involves the development in the exploration areas of blocks 9 and 11a off the South Coast of South Africa. Within the framework of the agreement, Rosgeo is supposed to conduct a considerable volume of geological exploration work. In particular, it is planned to carry out more than 4,000 square km of 3D seismic operations and over 13,000 km of gravity-magnetic exploration works, as well as the drilling of exploratory wells. The estimated volume of the investment is about US\$400 million.

The project envisages extraction of up to 4 million cubic metres of gas daily. This will subsequently be delivered to PetroSA's Gas-To-Liquids refinery, in Mossel Bay, the South Coast processing plant.

Roman Panov, the CEO of Rosgeo, Luvo Makasi, the Chairman of the Central Energy Fund, and Nhlanhla Gumede, PetroSA's Interim Chairperson, signed the agreement.

Mr Panov also stressed that within the framework of the contract Rosgeo will use advanced technologies, including 3D exploratory works, and modern seismic and drilling vessels.

"The signed agreement is aimed at developing bilateral relations and will strengthen Rosgeo's presence in the African market," he said.

Mr Makasi said the search for oil and gas resources in South Africa remains very strategic for the country's energy security and was extremely important to PetroSA's continued and sustainable survival.



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“South Africa’s oil & gas potential remains largely unexplored. This exploration effort presents significant upside to both the country and PetroSA. The upside for PetroSA is the possible expansion of our depleting gas resources. Discovery of hydrocarbons on our shores has the potential to bring significant revenues to the country and prove the country’s oil and gas prospectivity,” he added.

The PetroSA Interim Board Chairperson said the agreement represented a significant development towards building a new strategic thrust for the company. He added that the agreement was strongly repositioning PetroSA towards growth.

“A find in block 9 and 11a would result in much desired exploration activity of our onshore and offshore oil and gas potential. The country and PetroSA will benefit greatly from the find. From the perspective of PetroSA it will result in cheaper feed into the Mossel Bay refinery,” Mr Gumede said.

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