



## **NEWS RELEASE**

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### **R100m expansion for green energy solution**

Virtual Gas Network, a subsidiary of CNG Holdings, has launched an expansion programme of over R100m that will make Compressed Natural Gas (CNG) a viable energy alternative for industrial users.

CNG is 10% - 30% cheaper than Liquid Petroleum Gas (LPG), diesel, paraffin and heavy fuel oil, depending on the application. Further savings can be generated through avoidance of carbon tax due to the sustainability attributes.

Virtual Gas Network spent three years testing the feasibility of CNG and, after a compelling argument, the Industrial Development Corporation (IDC) has taken up a substantial equity stake and provided funding for expansion. These plans include greater industrial usage and creating a national footprint for CNG.

During the pilot phase industrial customers experienced a 10-25% saving on their operating fuel costs, depending on the fuel substituted, and vehicle tests showed a 25-35% saving in running fuel costs.

CNG is a renewable and clean energy source that is successfully being used by industrial and commercial entities to fuel their boilers, heaters, driers and vehicles. For the first time customers wishing to use an eco-friendly alternative to LPG, paraffin and diesel no longer have to be connected to the rigid gas pipeline nor do they have to incur capital costs to install the necessary equipment.

Virtual Gas Network supplies Natural Gas in Compressed Natural Gas (CNG) form via a Virtual Pipeline®. This uses an innovative modular road transport system to transport Natural Gas in a compressed state safely and economically to industrial and commercial customers with no access to the existing pipeline. Customers can lease the gas supply and compression equipment.

As international experience shows, CNG is a viable, safe alternative that offers numerous benefits. It has found a natural home in many countries, particularly those where the population relies extensively on public transport. CNG Holdings' near-term growth plans include conversion of vehicles to natural gas vehicles, public filling stations, and in-house filling stations for fleet operators.

#### **Compressed Natural Gas – Fuel of the Future**

##### **CNG Holdings (PTY) LTD**

Fancourt Office Park, Block 16, First Floor, Cnr Northumberland & Felstead Avenue, North Riding, Johannesburg  
PO Box 1555, Northriding, 2162 Tel +27 (0) 11 704 0670 +27 (0) 860 116 917 Fax +27 (0) 86 550 2008 [www.cngholdings.co.za](http://www.cngholdings.co.za)

The CNG group of companies consists of: NGV Gas (Pty) Ltd Fuelling Natural Gas Vehicles, Virtual Gas Network (Pty) Ltd Transporting Compressed Natural Gas, CNG Technology (Pty) Ltd, Supplying Compressed Natural Gas equipment

“The IDC investment is directly in line with the National Development Plan 2030 (NDP) and the Industrial Action Policy Plan (IPAP2)”, says Thabiso Mageza, a director of CNG Holdings. “The IDC is investing in new technologies with economic growth, sustainability and job creation as the primary objectives. Compressed Natural Gas is one of the few new developments that can fulfil on all the targets set by government, such as to make Natural Gas 5% of the energy mix between 2020 and 2030.”

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### For more information, contact:

Stephan Ceronio

Technical Sales & Marketing Manager

Virtual Gas Network

+27 11 7040670

[sales@cng Holdings.co.za](mailto:sales@cng Holdings.co.za)

### About Virtual Gas Network (Pty) Ltd

Virtual Gas Network supplies Natural Gas in Compressed Natural Gas (CNG) form (to hold more volume) via a Virtual Pipeline®. This innovative modular road transport system safely and economically transports Natural Gas to customers in the industrial and commercial sectors, customers wishing to set up internal gas distribution networks, and power generation systems (such as co-generation and tri-generation projects).

The Virtual Pipeline® also supplies CNG refuelling stations and customers who have no direct access to the existing gas network.

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