

Oil and gas energy stakeholders discuss a way forward

Last week, the Portfolio Committee on Energy held a stakeholder engagement; the discussion was to assess the upstream sector in the oil and gas industry.

Chairperson of the Committee, Mr Sisa Njikelana, said the purpose of the stakeholder engagement was to create a platform for public discourse in the energy sector by facilitating structured discussions on various topics regarding energy issues.

"It is of great importance as public representatives to have national debates on issues of national consideration, energy being one of them and oil and gas being a vital component thereof. The choice of the topic was due to many growing approaches from the oil and gas industries. A number of issues have been raised in the public domain such as legislation and ensuring certainty. There has been evidence of increased oil uptake and oil exploration in South Africa, the appetite has grown," said Mr Njikelana.

Presentations delivered were from various stakeholders such as the Department of Energy (DoE), PetroSA (a state-owned company), and Petroleum Agency of South Africa (PASA) and the South African Oil and Gas Alliance (SAOGA).

DoE briefed the Committee on the creation of an enabling environment and the role government played in the industry. PetroSA presentation focused on the prospects of the upstream sector from a perspective of state owned company. PASA briefed the Committee on the regulatory perspective of the government while SAOGA presentation focused on the views of the industry on the SA scenario whether the upstream sector was attractive or discouraging.

Concerns expressed by stakeholders centred on the uncertainty in the regulatory environment, government policy and the risks in implementing proposed legislation amendments such as the Minerals and Petroleum Resources Development Act, 2002.

SAOGA CEO, Mr Ebrahim Takolia, said uncertainty in the regulatory environment posed a major risk in SA, and investors eventually resorted to finding alternative emerging markets to invest in, "SA needs to create an investment climate that continues to be favourable," said Mr Takolia.

Mr. Berkoben, the General Manager of ExxonMobil SA, reinforced the impression of willingness to invest in the sector while he also cautioned against relying on figures that portray estimated deposits of the ores.

Said Mr Njikelana: "What is encouraging is that there is evidence of willingness from practitioners, activists and captains of industry (from the oil and gas industries) to participate in the sector. At the same time they are assertive enough to sharply and honestly express their concerns. The department expressed its commitment to creating a conducive or enabling environment for further investments."