

ENERGY COUNTRY REVIEW

# South Africa

[keyfactsenergy.com](https://keyfactsenergy.com)

# Country Review South Africa

## South African Oil & Gas Alliance (SAOGA)

The South African Oil & Gas Alliance (SAOGA) is dedicated to promoting the upstream and midstream sectors of the oil and gas value chain, primarily in South Africa and regionally in Southern Africa.

The organisation operates as a partnership between the public and private sectors, receiving public funding to carry out a range of industry development activities and working to promote the interests of members. It is overseen by an independent volunteer Board of Directors from industry and a number of other key stakeholders.

## South African Oil & Gas Alliance

Studio 604, 6th Floor  
4 Loop Street  
Cape Town 8001  
South Africa

Tel: +27 21 425 8840

## History

South Africa (the Republic of South Africa) borders the Atlantic and Indian Oceans in the south, and Namibia, Botswana, Zimbabwe, Mozambique and Swaziland in the north. It surrounds Lesotho.

Humans inhabited the region for at least 170,000 years. The Bantus displaced the Khoisan from 500 BC, evolving into tribes, such as Xhosa and Zulu. The Portuguese landed in 1487 but it was not until 1652 that the Dutch settled on the Cape and slowly moved inland. Britain took over in 1795, annexing Cape Colony in 1806. They competed with the original settlers (Boers) and with the tribes, especially after diamonds and gold were found after 1867. The UK

In 1910 the Union of South Africa was granted nominal independence after which ownership of land by blacks was restricted. In 1931 the union became fully sovereign and in 1948 The National Party imposed apartheid, institutionalising racial segregation. After a violent struggle with the African National Congress and a period of overseas sanctions, discrimination began to be abolished from 1990. The majority of black South Africans had been enfranchised by 1994. However, poverty and inequality remain widespread with unemployment very high.

Source: *GlobalShift*

---

## Country Key Facts

---

Official name:	Republic of South Africa
Capital:	Pretoria (administrative), Bloemfontein (judicial), Cape Town (legislative)
Population:	55,436,360 (2017)
Area:	112,622 km <sup>2</sup> (43,483 sq. miles)
Form of government:	Democracy
Language:	French (official), Fon and Yoruba in the south; Nagot, Bariba and Dendi in the north
Religion:	Christian, indigenous beliefs, Muslim, Hindu
Currency:	South African rand
Calling code:	+27

---

# Country Review South Africa

## Government

South Africa is a parliamentary republic with a President as head of state and government. Parliament is bicameral. The 400-member National Assembly is the lower house elected every 5 years. The 90-member National Council of Provinces is the upper house. After each election the National Assembly elects one of its members as President who appoints a Deputy President and Ministers to form the Cabinet.

The Department of Energy is responsible for exploration, development, processing, utilisation and management of South Africa's mineral and energy resources. The Petroleum Agency SA promotes exploration of onshore and offshore oil and gas and their optimal development on behalf of the government.

PetroSA is the NOC. Its main activities are the extraction of natural gas from offshore fields in Mossel Bay. It was the first company to produce GTLs in 1992 and has the third largest GTL refinery (of 5) in the world.

*Source: GlobalShift*

South Africa is geographically and politically well-positioned to be a base for supplying sub-Saharan oil and gas projects. Geographically the country is on the southern tip of the African continent and provides easy access to both east and west Africa by sea and air. Politically, South Africa is a founding member of the New Partnership for African Development (NEPAD), whose prime objectives are to elevate Africa's opportunities in the global economic arena and to enhance its full and beneficial integration into the global economy. It is also an active member of the African Union (AU), the Southern Africa Development Community (SADC) and the Southern African Customs Union (SACU). Its role as leader and partner in the African community provides South African-based companies with favourable access to opportunities in the region.

## History of Exploration and Production

The first organised search for hydrocarbons in South Africa was undertaken by the Geological Survey of South Africa in the 1940's. In 1965 Soekor (Pty) Ltd was formed by the government and began its search in the onshore areas of the Karoo, Algoa and Zululand Basins.

In 1967 a new Mining Rights Act was passed and offshore concessions were granted to a number of international companies including Total, Gulf Oil, Esso, Shell, ARCO, CFP and Superior. This led to the first offshore well being drilled in 1969 and the discovery by Superior of gas and condensate in the Ga-A1 well situated in the Pletmos Basin.

In 1970, Soekor (together with Rand Mines) extended its efforts to the offshore but, despite further encouraging discoveries, international companies gradually withdrew. This was largely as a result of political sanctions against South Africa. Thus from the mid 1970's to the late 1980's Soekor, the State owned oil and gas exploration company, was the sole explorer operating the entire offshore area of South Africa. The offshore areas were opened to international investors via a Licensing Round held in 1994.

In 1999 Petroleum Agency SA was established and in 2001 a new State oil company, PetroSA, was formed by the merger of Soekor and Mossgas.

The Mineral and Petroleum Resources Development Act was passed in 2002, and became operational on 1 May 2004.

# Country Review South Africa

## Department of Energy South Africa

The Department of Energy is responsible for ensuring exploration, development, processing, utilisation and management of South Africa's mineral and energy resources. As the country's economy continues to grow, energy is increasingly becoming a key focus.

**Department of Energy**  
192 Visagie Street  
Corner Paul Kruger &  
Visagie Street  
Pretoria

Tel: +27 12 406 8000

## Petroleum Agency SA

Petroleum Agency SA promotes exploration for onshore and offshore oil and gas resources and their optimal development on behalf of government. The Agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.

**Petroleum Agency SA**  
Tygerpoort Building, 7  
Mispel Street, Bellville  
7530, Cape Town  
South Africa

Tel: + 27 21 938 3500  
Fax: + 27 21 938 3520

In the entire offshore area there are now over 300 exploration wells including appraisal and production wells. In addition 233,000 km of 2D seismic data and 10 200 km<sup>2</sup> of 3D seismic data have been acquired since exploration began offshore.

Exploration drilling was most active from 1981 to 1991 during which period some 181 exploration wells were drilled. The Bredasdorp Basin has been the focus of most seismic and drilling activity since 1980.

Over the last few years there has been an upsurge in interest in exploration – both onshore and offshore South Africa. Companies such as Shell, Anadarko, Total, Sasol, CNR have recently gained exploration acreage and are planning extensive seismic exploration and drilling campaigns.

*Source: Petroleum Agency SA, Impact Oil & Gas, South African Oil & Gas Alliance*

## Department of Energy South Africa

The Department of Energy is responsible for ensuring exploration, development, processing, utilisation and management of South Africa's mineral and energy resources. As the country's economy continues to grow, energy is increasingly becoming a key focus.

The Electricity and Nuclear Branch is responsible for electricity and nuclear-energy affairs, while the Hydrocarbons and Energy Planning Branch is responsible for coal, gas, liquid fuels, energy efficiency, renewable energy and energy planning, including the energy database.

**Department of Energy**  
192 Visagie Street  
Corner Paul Kruger & Visagie Street  
Pretoria

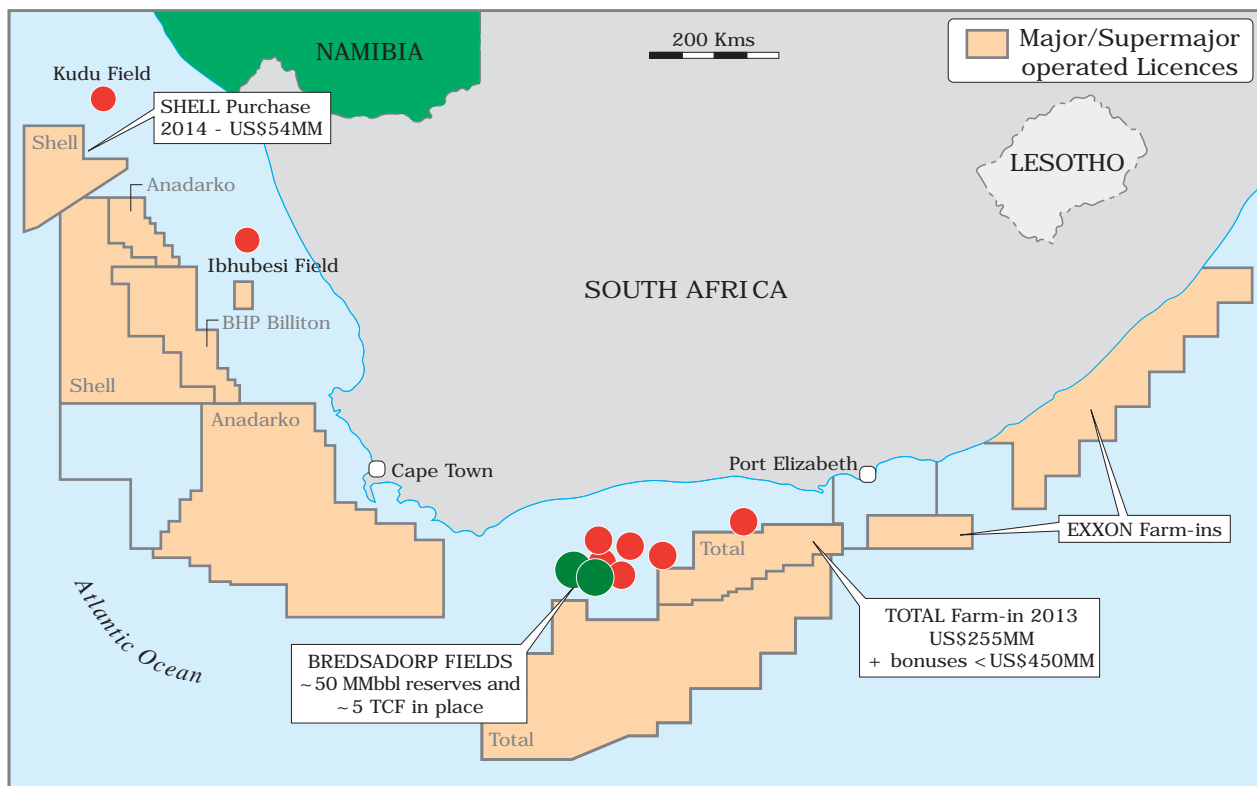
Tel: +27 12 406 8000

## PETROLEUM AGENCY SA

Petroleum Agency SA promotes exploration for onshore and offshore oil and gas resources and their optimal development on behalf of government. The Agency regulates exploration and production activities, and acts as the custodian of the national petroleum exploration

# Country Review South Africa

## Offshore South Africa Major/Supermajor Operated Licences



Map source: KeyFacts Energy

# Country Review South Africa

