

18 August 2023

Mr. Jaap Smit

Senior Manager: Gas Infrastructure & Development

Sasol Gas (Pty) Ltd

50 Katherine Street

Sandton, 2196

Dear Mr Smith,

TRANSNET PIPELINES SPRINGFIELD LILY GAS INCIDENT 30 MARCH 2023

Transnet Pipelines (TPL) gas pipeline situated in Springfield Park, near the Bisasar Road Landfill site in Durban was damaged by a Tractor Loader Backhoe (TLB) on 30 March 2023 around 14:36 and the repairs on the pipeline were completed by 22:27 on the 31st March 2023. This incident resulted in interruption to the pipeline operation.

TPL initiated an incident investigation process and a summary of the findings are as follows.

1. On the 30th of March 2023, at 14:36 a gas line incident was reported by eThekweni Deputy Head: Plant & Engineering at Springfield waste area under eThekweni Municipality that the pipeline was damaged.
2. A Durban Solid Waste (DSW) TLB operator was clearing the rubble at Springfield waste site (MP11.1), accidentally damaging the underground gas pipeline in the process.
3. The local authority, police and emergency team were activated to the incident and on arrival an attempt to extinguish a fire in proximity to the incident was made.
4. The immediate shutdown procedure was initiated with the relevant stakeholders (SASOL and other gas end-users). Annexure A shows the Springfield incident pictures.
5. The incident was reported to the following parties as follows:
 - a. SAPS Sydenham Police Station on 30 March 2023.
 - b. Local Authority on 30 March 2023.
 - c. Department of Environmental Affairs on 30 March 2023.
6. Sasol Gas was issued with a notification of Force Majeure event on 05 April 2023.
7. The consequences of the incident included leakage of MRG, discharge of MRG into the atmosphere, interruption of MRG supply to end users and the financial cost of repairs for Transnet Pipelines.

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PPJ Derby* (Group Chief Executive) NS Dlamini* (Group Chief Financial Officer)
*Executive

Group Company Secretary: Ms S Bopape

A small, handwritten signature in black ink, appearing to be the initials "jn".

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"This letterhead contains personal information as defined in the Protection of Personal Information Act, No. 4 of 2013 (the "Act"). The signatory consents to the processing of his/ her personal information and is obliged to handle other data subject's information in accordance with the requirements of the Act".

TRANSNET HAS A 'ZERO GIFTS' POLICY. NO EMPLOYEE IS ALLOWED TO ACCEPT GIFTS, FAVOURS OR BENEFITS

8. The following were identified as root causes of the incident:
 - a. eThekwini Municipality's failure to apply for a Way Leave before work was performed on the gas pipeline servitude.
 - b. Lack of knowledge related to hazards present by the Operator of the TLB as a result of lack of Supervision and awareness about hazardous infrastructure in the solid waste site area.
 - c. It was noted that the depth of the pipeline during that incident was affected due to soil erosion or previous activities that were done on top of the pipeline.
 - d. Inadequate communication of safety and health data, regulation, or guidelines by eThekwini Municipality specifically, the Transnet Pipeline Wayleave process permitting work on top of the pipeline or within the TPL servitude (Awareness Training is provided to municipal officials but there is no evidence of awareness being given to drivers).

9. The following mitigations are in place or are currently in progress:
 - a. Awareness to landowners (including eThekwini Municipality) and communities; The servitude awareness was conducted on 17 April 2023 and it's ongoing.
 - b. The TPL GIS information relating to the location of the pipeline is in the Municipality's possession. The TPL Servitude Supervisors will highlight the importance of consulting this source of information to the municipal officials in their ongoing interactions.
 - c. Pipeline patrolling (foot, vehicle and helicopter). Foot and vehicular patrols are conducted every fortnight. The helicopter inspection is conducted twice a month namely: DJP/DWP/GAS and the MPP where both inspections cover the Gas Pipeline. All these inspections are continuously on going.
 - d. Right of way maintenance; There are route markers that are on the site to assist with Gas Pipeline visibility. Since the incident, additional route markers have been erected to enhance visibility even further.
 - e. Wayleave process; The wayleave process was explained and discussed during the servitude awareness sessions and it's on going. Part and parcel of this process when it's followed involves the assignment, by TPL, of the relevant Servitude Supervisor to whomever is conducting any excavation work so that proper guidance is provided to be able to undertake the work safely.
 - f. Furthermore, random vehicle patrols are conducted to ensure compliance with servitude conditions.
 - g. The TPL Civil Department is currently exploring lasting solutions to the soil erosion challenge.

10. Recommendations on prevention of recurrence
 - a. Informal engagements are to continue taking place with the eThekwini waste team including the TLB drivers during the site inspections and emphasis on the importance of the wayleave application is to be placed.
 - b. Formal employee orientation/awareness is to continue with the eThekwini waste site team although this was done on the 17th April 2023 but should then include the TLB drivers;
 - c. Employee orientation/awareness of TLB drivers must be conducted by all Servitude Supervisors beyond just eThekwini;
 - d. Externally required permits or Way leave application awareness efforts must continue;
 - e. Soil erosion assessment and refilling the gaps.

TPL is committed to its customers and running a safe operation. To this end it will enhance its implementation of the recommendations to prevent recurrence of such incidents in future. As a business, TPL is committed to delivering value to its clients with minimal interruption.

Thank you for your continued support and commitment to TPL. If there are further engagements required on this incident, please contact James Ngoro at james.ndoro@transnet.net or 0632531440.

Yours Sincerely,



James Ngoro

Senior Account Executive: Business Development and Customer Engagement

Transnet SOC Limited

Date: 18.10.2023