ANNEXURE A

SCOPE OF WORK

APPOINTMENT OF A LEAD TRANSACTION ADVISOR (OR CONSORTIUM OF SERVICE PROVIDERS) TO PROVIDE TRANSACTION ADVISORY SERVICES PERIOD OF THIRTY-SIX (36) MONTHS.

1 INTRODUCTION

CEF (SOC) Ltd is a state-owned company (SOC) governed by the Central Energy Fund Act of 1977 and conduct its business as holding company and through its subsidiaries that together constitute the CEF Group of companies. This represents an energy security of supply value chain comprising of exploration and production, coal and gas supply, liquid fuels processing, a renewables division and liquids fuels storage/infrastructure.

CEF's approach is to use specialists and/or independent service providers to provide various advisory services on an "as and when required" basis. It is of these reasons that CEF intends to appoint a panel of transaction advisory service providers. These advisory services may be required for CEF business needs (including CEF's partnerships), its subsidiaries and/or partners of the subsidiaries.

2 PURPOSE

CEF intends to establish a panel of independent service providers to provide transactional advisory services and prepare independent opinions, evaluations, business cases and/or recommendations to acceptable standard of prospective lender(s).

3 BACKGROUND

As a State Owned Company, CEF has a responsibility to adhere to a number of regulations in order to aid the achievement of its strategic objectives. The successful/shortlisted service providers should demonstrate knowledge and/or capability in providing the required services efficiently and with a high degree of quality.

The scope of work/ terms of reference invite proposals from lead transactional advisors comprising of or representing a team (or consortium) of suitably qualified and experienced **Financial, Technical and Legal** advisors to respond to this invitation.

The transaction advisory service providers will be required to provide the following services:

Phase 1: Undertake a comprehensive feasibility, viability studies and/or preliminary due diligence (covering Legal and Financial) for different transactions, prepare business cases and provide a professional advice/opinion that will aid a "Go / No Go" decision for the CEF and/or its *partnerships, its subsidiaries and/or partnerships of the subsidiaries*.

Phase 2: If a "Go" decision is resolved, the lead transaction advisor, team (or consortium) will be required to provide advisory services throughout the acquisition/investment stages until financial close.

The scope of work will be divided in two (2) phases as indicated above. However, the lead transaction advisor will be required to submit a single bid, in the format prescribed in the terms of reference (as issued from time to time).

4 SCOPE OF SERVICES (SOS) / TERMS OF REFERENCES (TORs)

CEF and/or its partners will from time to time explore the feasibility and viability of various projects and/or investments. Consequently seeking to source services of transactional advisory service providers to assist it through the phases of the acquisition and/or investment project(s).

The lead transaction advisor will be required to provide:

- Assistance in reviewing and interpreting all information provided by CEF and/or the target company and request any information omitted relating to the transaction(s) or project(s)
- Assistance in evaluating, reviewing and further advice on the valuations of the asset(s) and/or investment(s)
- Present its views, opinions, and recommendation as to an optimal transaction structure, project financing and/or the capital raising
- Assistance and guidance in the preparation of Non-Binding offers (NBOs) (or Expression of Interest (EOI)) for the asset(s) or investment(s)
- Conduct and/or manage all relevant due diligence activities
- Review all legal documentation, contracts or agreements in place regarding the opportunity being pursued
- Assistance in Sale and Purchase Agreement negotiations for the asset(s) or investment(s)
- Attend all other matters reasonably incidental to the transaction of this nature including inter alia:

- Identifying to the extend required, suitable auditors, technical/engineering experts (if applicable), legal experts, tax experts, BEE consultants and any other required service provider(s) to ensure effective and efficient implementation of the transaction / project
- Assisting with compiling the notification to the various regulatory bodies having jurisdiction over the transaction(s) or CEF, its subsidiaries, the target asset(s) and/or investment(s) (i.e. the Competition Commission, the Department of Minerals Resources and Energy, the National Treasury, etc.)
- Assisting in the determination and/or reviewing the allocation of the purchase price; and
- Preparing relevant financial model(s)

- Review, analyse and model financial inputs during the due diligence of loans and investment application
- Assist in preparing reports for loans and investment applications
- Provide transaction structuring advisory services for loan and investment applications
- Provide skills transfer plan to CEF staff on financial analysis and modelling.

5 WORK PACKAGES / DELIVERABLES

Category	**Work package / Deliverables**	**Indicators / Activities**
Transaction Advisory service	Finance/Commercial	Prepare a report including: • Option analysis • recommendations (Go/No-Go) • Inventory management • Compliance with relevant regulations • Market analysis and competitive positioning • Revenue model assessment and financial viability • Pricing strategies and cost structures • Supply chain and procurement evaluation

		• Contractual obligations, including offtake agreements and supplier relationships • Assessment of funding structures and financing options • Evaluation of regulatory incentives, tariffs, and subsidies • Risk analysis on market volatility and economic factors • Base Case and operational financial model • Possible exit strategies for CEF Capital raising: • Capital structure and funding strategy development • Investor identification and outreach • Preparation of offering documents (e.g. Information memorandum, financial models etc for presentation to investors) • Negotiation and structuring of investment terms • Closing and fund allocation Engage on all commercial matters on behalf of CEF to the point of closing the deal.
	Legal	• Review of corporate structure and ownership arrangements • Assessment of compliance with national laws • Verification of licenses, permits, and regulatory approvals • Examination of contractual obligations, including joint ventures, lease agreements, and service contracts • Assessment of litigation risks and dispute resolutions • Review of intellectual property rights and patent protections

		• Analysis of legal risks related to land use, environmental laws, and labor regulations • Review and opine any other commercial contracts in place • Drafting of competition filing document and other regulatory approval documents that may be required for the transaction to reach financial close. • Legal tax advisory and legal financial convents Engage on all Legal matters on behalf of CEF to the point of closing the deal.
	Technical	• Assessment of asset integrity and operational efficiency • Evaluation of technology suitability and scalability • Review of engineering designs, specifications, and maintenance records • Analysis of production capacity and reliability • Assessment of infrastructure, including pipelines, storage, and distribution networks • Review of environmental compliance and sustainability performance • Identification of technical risks and mitigation strategies • Operations Planning • Opex Optimisation • Capex Plans • Abandonment Plans and Provision • Infrastructure and Logistics Engage on all Legal matters on behalf of CEF to the point of closing the deal.

	HSSE	• Compliance with occupational health and safety regulations • Review of workplace safety policies and procedures • Assessment of environmental impact and sustainability commitments • Security risk assessment for operational sites • Emergency response and disaster management preparedness • Analysis of historical HSSE incidents and mitigation measures • Evaluation of adherence to industry best practices and ESG (Environmental, Social, and Governance) standards Engage on all HSSE matters on behalf of CEF to the point of closing the deal.
	Socio-Economic	• Assessment of local community engagement and stakeholder relations • Impact on employment and skills development opportunities • Corporate Social Responsibility (CSR) and local development contributions • Evaluation of local supplier and enterprise development initiatives • Compliance with transformation policies • Identification of potential social risks and mitigation strategies • Review of public perception, social license to operate, and reputational risks • Review skills development, enterprise development and localisation plans