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<http://www.procurement.petrosa.com/Downloads/Documents/SupplierSelfRegistration.pdf>

19 January 2022

ENQUIRY NO: CTT24702

DESCRIPTION: APPOINTMENT OF FINANCIAL INSTITUTION(S) TO ACT AS MANDATED LEAD ARRANGER (MLA) FOR PetroSA GHANA FUNDING STRATEGY

1. INTRODUCTION

PetroSA Ghana Limited (“PetroSA Ghana”), a wholly-owned subsidiary of the Petroleum Oil and Gas Corporation of South Africa (SOC) Limited (“PetroSA”), is a key commercial entity within the PetroSA Group in terms of its financial contribution to the Group.

PetroSA Ghana holds minority interests in the producing Greater Jubilee Unit Area (2.7254%), the Deepwater Tano Block (3.8275%) (including the TEN Oil fields development) and the West Cape Three Points Block (1.803%) with further development, appraisal and exploration upside within these blocks. PetroSA Ghana’s existing share of oil production is approximate 3800bbl/d. At present PetroSA Ghana co-lifts its oil production with Occidental Petroleum and GNPC, increasing the frequency of liftings to every six (6) weeks. Under PetroSA’s Commodity Price Risk Management Policy, PetroSA hedges the downside in respect to its oil liftings. The Bottom price to be hedged is USD60/bbl.

2. RESERVES BASED LENDING FACILITY

The tender is for the appointment of a Mandated Lead Arranger to syndicate Reserves Based Lending (RBL) of PetroSA Ghana's existing participation in the Ghanaian Assets held under the DWT and WCTP Petroleum Agreements. PetroSA Ghana furthermore, will require flexibility in terms of the traditional covenants of the RBL Agreement, concerning:

- Ability to transfer the RBL facility together with the possible transfer of the ownership of PetroSA Ghana within the Central Energy Fund (CEF) Group of Companies;
- Ability to use the Ghanaian Assets with permission for securitizing subordinated debt (such as for Trading activities that may require security in the form of for example Letters of Credit/performance guarantee etc. facility in support of PetroSA's South African Finished Product Trading Activities);
- Ability to declare dividend from PetroSA Ghana to its shareholder PetroSA throughout the year (subject to liquidity, solvency and waterfall) and not be limited to within 30days of the redetermination of the borrowing base.

It is required of respondents to provide an indicative term-sheet for the RBL in their response to the tender, that upon phase II selection and entering into a Non-Disclosure Agreement, PetroSA Ghana will release documentation (such as Reserves Based Lending Report) and information (such as economic modelling including work programme and budgets agreed with JV partners for current and subsequent year) critical to the Commercial Lender's Credit Department so that a Letter of Commitment may be issued by March 2022.

The successful respondent will need to:

- Formulate the underwriting strategy
- Assistance with the preparation of a detailed information memorandum
- Preparation of indicative term sheets
- Identifying appropriate target financial institutions
- Identifying and appointing of Technical Bank

- Coordinate appointment of Lender independent advisors
- Assembling the funding consortium
- Advising during negotiations with potential funders
- Project management of the funding timetable
- Assisting Lenders in obtaining necessary approvals
- Management and finalisation of all funding documentation (RBL Agreement)
- Input into legal documents relating to the transaction
- Presentation to PetroSA Ghana Board and National Treasury - the fundamentals of the RBL facility in support of securing section 66 PFMA approvals.

3. BRIDGE LOAN FOR PRE-EMPTION

The tender is for the appointment of a commercial lender that can extend the Bridge Loan for the exercise of PetroSA Ghana 's pre-emption of Occidental Petroleum's disposal of its Ghanaian Assets.

On 9 November 2021, PetroSA Ghana exercised pre-emption notice to acquire shares in Anadarko WCTP and Jubilee Oil Holdings, which based upon its proportionate holdings in the DWT Joint Operating Agreement (JOA) may increase its participation in the Greater Jubilee Unit Area (4.07%) and TEN Oil fields (6.77%) at a cost of USD46million plus working capital adjustments from 1 April 2021. The pre-emption is yet to close out and the pre-emption by fellow Joint Venture Partners to the DWT JOA is still be clarified.

Whilst PetroSA Ghana has sufficient cash in the bank to self-fund the pre-emption, a dividend distribution to support the shareholder is likely to erode the current surplus liquidity. PetroSA Ghana is required to secure the funding of the pre-emption within 180days.

PetroSA Ghana, as a schedule 2 state-owned company is governed by the Public Finance Management Act (PFMA). Foreign Borrowings would accordingly require the requisite consent in terms of section 66 of the PFMA from the Executive Authority (in

this case the Minister of Mineral Resources), with due notice to the National Treasury. Provision for these approvals needs to be accounted for in the allotted 180days.

4. INFORMATION REQUIRED IN RESPECT OF MANDATED LEAD ARRANGER

To perform due diligence of respondents, the tender response must be accompanied by the following information/documentation:

4.1. Background

- 4.1.1. Legal company name and trading name
- 4.1.2. Addresses: physical and mailing
- 4.1.3. Main telephone number, fax and email address
- 4.1.4. Registration details with SARS (for all relevant types of taxes) (where the MLA respondent is a South African entity), alternatively Tax Identification Number where the MLA respondent is a foreign entity.
- 4.1.5. A brief account of the early history of the company, development over the years and current situation
- 4.1.6. Company short and long term objectives
- 4.1.7. Summary of nature of products or services offered

4.2. BEE level

In respect of South African companies, confirmation of compliance with the Employment Equity Act, 1998: Copies of the company's BEE policies, latest BEE scorecard and any BEE verification certificates issued for any direct or indirect shareholders of the company.

4.3. Financial Information

The latest available audited annual report and interim financial statement disclosures must be provided by respondent mandated lead arranger.

5. PRE-QUALIFICATION CRITERIA

The following pre-qualification criteria need to be satisfied for the respondent to progress to the evaluation stage.

5.1. COMPANY EXPERIENCE

Respondents must provide a minimum of two (2) authenticated credentials regarding previous MLA roles i.e. work performed with specific reference to:

- Transaction role(s);
- Summary of the transactions concluded; and
- Investor reach and markets wherein the trade(s) were executed

5.2. TEAM EXPERIENCE

Respondents must provide CVs of the proposed transaction team. CVs to demonstrate relevant experience in providing the services as Lead Arrangers and Transaction Advisors for the proposed transactions. (Experience will be evaluated and scored by calculating the average of the combined total number of years experience of the key resources proposed to make up the transaction team).

6. TENDER EVALUATION PROCESS

The procurement process will be a two-stage selection process. The Tender responses received at Stage 1 will be evaluated against pre-approved evaluation criteria and Respondent Mandated Lender Arrangers will be shortlisted and recommended for the financial stage of the selection process.

6.1. Administrative Responsiveness – Step 1

The test for administrative responsiveness will include the following:

- Whether the Bid has been lodged on time
- Whether all Returnable Documents and/or schedules [where applicable] were completed and returned by the closing date and time
- Verify the validity of all returnable documents
- Verify if the Bid document has been duly signed by the authorised Respondent

- Indicative term sheet provided by the respondent.

The test for administrative responsiveness must be passed for a Respondent's Proposal to progress to Step 2 for further pre-qualification.

6.2. Substantive Responsiveness to the Tender – Step 2

Those respondents shortlisted for direct negotiation will be required to sign Non-Disclosure Agreements (NDAs), to share business cases, Reserves Audit Report, economic modelling/valuations and other sensitive/confidential information in order that they may finalize their proposals into a Letter of Commitment, after which proposals will be evaluated and the best option/s will be recommended for final contract negotiations and award.

7. ENQUIRIES

Any enquiries regarding this tender should be addressed to **Hennie Fortuin** in the Tender Office at telephone no. 021 929 3211 or e-mail address martinhennie.fortuin@petrosa.co.za

PetroSA may issue Tender Buletins from time to time to clarify certain aspects or to provide additional information on this tender. It is the tenderer's responsibility to check PetroSA Procurement website www.procurement.petrosa.com/Open_Tenders to establish whether any bulletins were issued on this tender, prior to tender submission.

PetroSA reserves the right to withdraw the tender at its own discretion.

Yours faithfully

COMFORT BUNTING

Group Supply Chain Manager