

31 May 2017

Dear Sir/Madam

PETROLEUM GEO-SERVICES: PROPOSED SPECULATIVE 2D AND 3D SEISMIC SURVEYS OFF THE SOUTH AND EAST COASTS OF SOUTH AFRICA: NOTIFICATION OF REVISION TO THE RECONNAISSANCE PERMIT APPLICATION AREA BOUNDARY AND EXTENSION OF COMMENT AND REVIEW PERIOD

Our correspondence of 11 May 2017 regarding the availability for review of the Environmental Management Programme (EMP) prepared for the above-mentioned project has reference.

The purpose of this letter is to inform you that; (i) Petroleum Geo-Services (PGS) has reduced the extent of the proposed Reconnaissance Permit Application area with associated changes to the proposed two-dimensional (2D) and three-dimensional (3D) seismic survey target areas; (ii) in light of this there are also amendments to the EMP recommendations – these are also provided below; and (iii) that the comment and review period has been extended.

1. REVISED RECONNAISSANCE PERMIT APPLICATION AREA

The revised Reconnaissance Permit Application area boundary and survey target areas are illustrated in Attachment 1. The original application area is shown in Attachment 2. The proposed revisions entail the following:

- The northern extent of the Reconnaissance Permit Application area boundary has been reduced and now extends to just north and offshore of Port Edward. The 2D and 3D seismic survey target areas offshore between Durban and Richards Bay are thus no longer being considered;
- The 3D survey proposed between Canon Rocks (north of Port Elizabeth) and offshore of the mouth of the Fish River (south of East London) is no longer being considered. Five 2D survey lines are now being planned;
- Additional low density 2D survey seismic lines are proposed further offshore; and
- The southern extent of the Reconnaissance Permit Application area boundary has been reduced slightly to avoid overlapping with PetroSA's licence block (Block 9).

It is now proposed that the 2D survey would cover five licence blocks with a total length of approximately 7 000 km and the one proposed 3D survey would cover a single target area with a total extent of approximately 4 000 km². As before, no seismic survey acquisition would be undertaken within 15 km of the coast.

2. AMENDMENT TO EMP RECOMMENDATIONS

As a result of the above-mentioned revisions, some of the proposed recommendations included in the Draft EMP would be amended to take into consideration the revised Reconnaissance Permit Application area boundary. In this regard, the following recommendations are revised as indicated:

- The surveys located in the northern portion of the proposed Reconnaissance Permit Application area should, as far as possible, be planned to avoid the period after turtles have hatched and drift southward in the Agulhas Current (from late summer onwards). Thus, it is recommended that these surveys be undertaken before the peak hatching period, thus in December.
- The seismic surveys should be undertaken outside of the key Southern Right migration and breeding period which extends from the beginning of June to the end of November. In order to accommodate humpback whales that may still be moving southwards on their return migrations from higher latitudes as late as December, the

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surveys in the western-most 3D target area and the 2D survey target lines located between Port Elizabeth and KwaZulu-Natal should be undertaken between January and May.

- Prior to survey commencement the following key stakeholders should be consulted and informed of the proposed survey activity (including navigational co-ordinates of the survey area, timing and duration of proposed activities) and the likely implications thereof:
 - > Fishing industry / associations:
 - SA Deep-Sea Trawling Industry Association (SADSTIA);
 - South East Coast Inshore Fishing Association (SECIFA);
 - SA Midwater Trawling Association;
 - SA Hake Longline Association (SAHALLA);
 - Shark Longline Association;
 - South African Tuna Long-Line Association (SATLA);
 - SA Marine Linefish Management Association (SAMLMA);
 - SA Pelagic Fishing Industry Association (SAPFIA);
 - South Coast Rock Lobster Association; and
 - SA Squid Management Industrial Association (SASMIA).
 - > Other:
 - Petroleum Agency SA (PASA);
 - Department of Agriculture, Forestry and Fisheries (DAFF);
 - Transnet National Ports Authority;
 - South African Maritime Safety Authority (SAMSA);
 - South African Navy Hydrographic office; and
 - Overlapping and neighbouring right holders.

These stakeholders should again be notified at the completion of surveying when the survey vessel and support vessels are off location.

3. EXTENSION OF COMMENT AND REVIEW PERIOD

In order to accommodate stakeholders who have indicated that they are unable to provide comment within the 30-day review and comment period, an extension was requested from PASA. The revised submission date is now **30 June 2017**. As indicated previously, comment should be submitted to SLR Consulting (South Africa) (Pty) Ltd at the contact details provided below.

<p>Nicholas Arnott SLR Consulting (South Africa) (Pty) Ltd Unit 39 Roeland Square, 30 Drury Lane, Cape Town, 8001 PO Box 10145, Caledon Square, 7905</p> <p>Tel: (021) 461 1118 / 9 Fax: 021) 461 1120 E-mail: namott@slrconsulting.com</p>

After closure of the comment period, all written comments received from I&APs will be collated and the Final EMP will be updated to take into consideration the revised Reconnaissance Permit Application area boundary. The Final EMP, together with all written comments received, will be submitted to PASA for consideration and for approval by the Minister of Mineral Resources in terms of the Mineral and Petroleum Resources Development Act (No. 28 of 2002).

Should you have any queries on the above, or require any further information, please do not hesitate to contact Nicholas Arnott (namott@slrconsulting.com) or the undersigned.

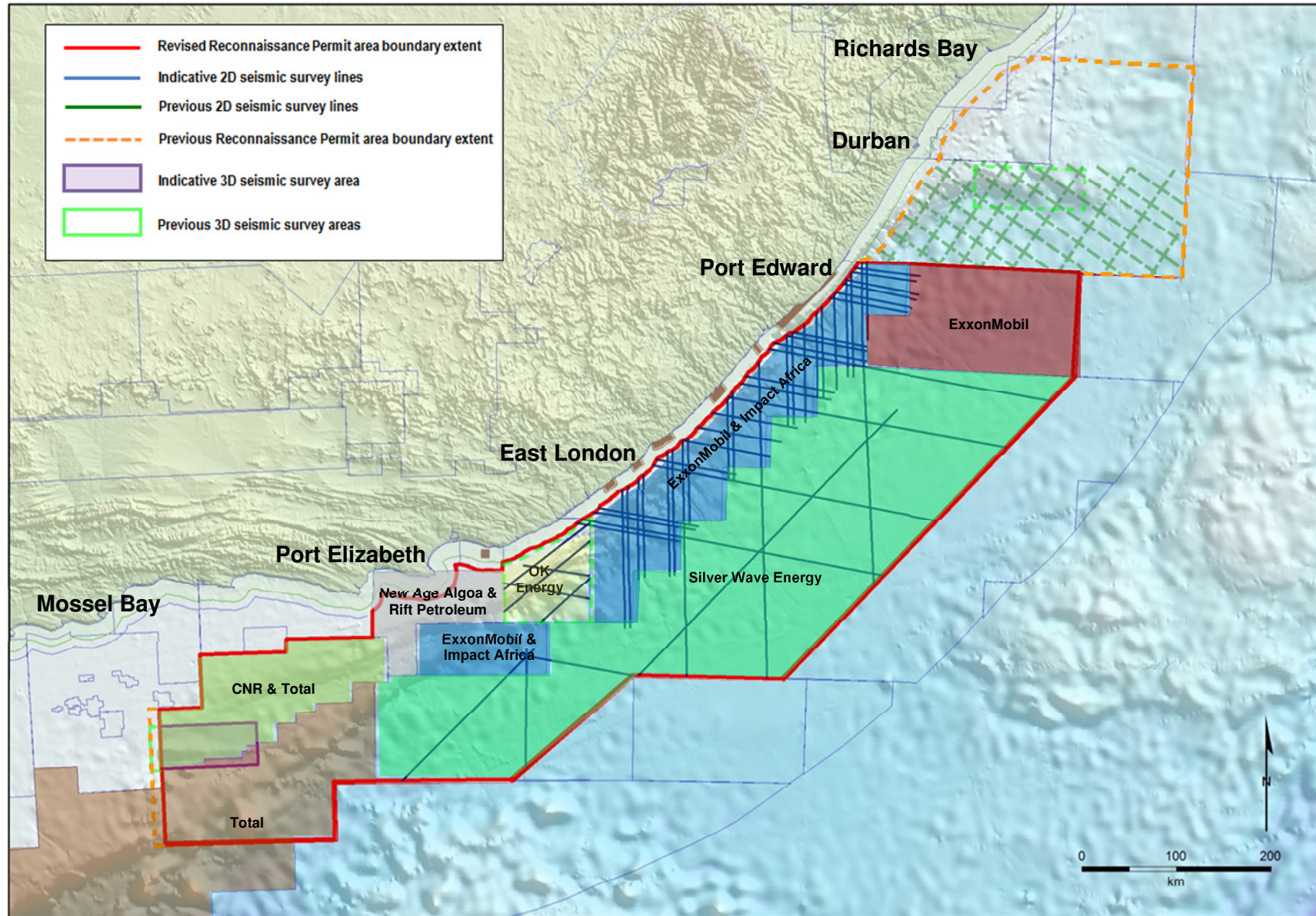
Yours sincerely



Jonathan Crowther Pr.Sci.Nat., CEAPSA
SLR CONSULTING (SOUTH AFRICA) (PTY) LTD

Encl.

ATTACHMENT 1: REVISED RECONNAISSANCE PERMIT APPLICATION AREA BOUNDARY



ATTACHMENT 2: ORIGINAL RECONNAISSANCE PERMIT APPLICATION AREA BOUNDARY

