

SOUTH AFRICAN AGENCY FOR PROMOTION OF PETROLEUM EXPLORATION AND EXPLOITATION SOC LIMITED
(Registration number 1999/015715/30)
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2018

These financial statements have been prepared by:
Olivia Mans (CA) SA
Chief Financial Officer

SOUTH AFRICAN AGENCY FOR PROMOTION OF PETROLEUM EXPLORATION AND EXPLOITATION SOC LIMITED

Annual Report for the year ended 31 March 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	South African Agency for Promotion of Petroleum Exploration and Exploitation SOC Limited was incorporated in July 1999 with the main business of acting as an agent of the Republic of South Africa in promoting exploration for and exploitation of natural oil and gas both onshore and offshore
Directors	Mr M Fusi Ms B Luthuli Ms R Nkambule Mr L Nengovhela
Business address	7 Mispel Road Bellville 7530
Postal address	P O Box 5111 Tygervalley 7536
Holding company	CEF SOC Limited incorporated in South Africa
Bankers	ABSA Bank Limited Parow Branch
Auditors	Auditor-General of South Africa Chartered Accountants (S.A.)
Company Secretary	Adv E Hendricks
Company registration number	1999/015715/30
Shortened name	Petroleum Agency SA

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Key Abbreviations

AAPG	American Association of Petroleum Geologists
AGSA	Auditor-General of South Africa
AGU	American Geophysical Union
APPEX	The American Association of Petroleum Geologists Prospect and Property Exposition
BCC	Benguela Current Commission
CBM	Coal bed Methane
CEF	CEF SOC Limited
CEO	Chief Executive Officer
DEA	Department of Environmental Affairs
DMR	Department of Mineral Resources
DOE	American Geophysical Union
DPME	Department of Monitoring and Performance Evaluation
EA	Environmental Authorisation
EAGE	European Association of Geoscientists and Engineers
ECBA	East Coast Basin Analysis
ECSC	Extended Continental Shelf Claim
EGU	European Geosciences Union
EIR	Environmental Impact Assessment Report
EMPR	Environmental Management Programme
GABA	Gamtoos - Algoa Basin Analysis
GIS	Geographic Information System
HDSA	Historically Disadvantaged South Africans
IDMS	Integrated Data Management System
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
JSE	Johannesburg Stock Exchange
MICB	Main Karoo Basin
MOU	Memorandum of Understanding
MPRD Amendment Bill	Mineral and Petroleum Resources Development Amendment Bill
MPRDA	Mineral and Petroleum Resources Development Act, Act 28 of 2002
MTEF	Medium Term Expenditure Framework
NACM	Nominal Annual Compounded Monthly
NCOP	National Council of Provinces
NEMA	National Environmental Management Act
NT	National Treasury
PARS	Project Archive Records System
PESGB	Petroleum Exploration Society of Great Britain
PFMA	Public Finance Management Act No 1 of 1999 as amended
PLETBAS	Pletmos Basin Analysis
PetroSA	The Petroleum Oil and Gas Corporation of South Africa SOC Limited
Petroleum Agency SA / "the company" / "the Agency"	South African Agency for Promotion of Petroleum Exploration and Exploitation SOC Limited
RMDEC	Regional Mining Development and Environmental Committee
RoD	Record of Decision
SAGA	South African Geophysical Association
SAMOG	The South African Code for the Reporting of Oil and Gas Resources
SANC	South African National Committee of World Petroleum Council
SANEDI	South African National Energy Development Institute
SARS	South African Revenue Services
SLP	Social and Labour Plan
SOC	State Owned Company
TACM	Technical Advisory Committee Meetings
TCP	Technical Co-operation Permit
UN	United Nations
UNCLCS	United Nations Commission on the Limits of the Continental Shelf
USB	Universal Serial Bus
UTT	Upstream Training Trust
UrTec	Unconventional Resources Technology Conference
VAT	Value Added Tax
WPC	World Petroleum Council

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Chairperson's Overview

It is my pleasure to present the Annual financial statements for the year ended 31 March 2018 on behalf of the Petroleum Agency SA . The overview is a snapshot of the activities of the company during the year.

The outlook of the South African upstream petroleum sector remains largely positive. South Africa has vast resource potential; however, the exploration activities have declined. This phenomenon is largely due to the lower oil prices globally and the pending MPRD Amendment Bill.

The Agency continues to realise its mandate, focussing specifically on its regulatory, promotional and data management functions. In so doing, the Agency achieved the following critical milestones in the past financial year:

- The hosting of a Transformation Colloquium that demonstrated the Agency's commitment to ensuring that its objectives of transforming the oil and gas industry are being addressed seriously;
- Significant progress in the resource evaluation of the large geological basins in the country and;
- The continued improvement of its world-class national data centre for oil and gas exploration and production data.

Operationally the financial year was successful and progress on strategic objectives set by the Board was achieved.

The Agency continues to play a leading role in ECSC Project. The ECSC Project is a strategic initiative of our Government , which seeks to extend the South African Continental Shelf including the Islands beyond the 200 nautical mile limit. Defence of the claims is ongoing, I would like to extend our sincere gratitude to the Agency for their continuing efforts and leadership of this initiative at the UN Commissions in New York.

For the year under review, the Agency received its first funding allocation from National Treasury via the DMR and was successful in obtaining a funding allocation for the 2018/19 financial year which included an additional R34 million over three years which has been reprioritised for shale gas.

In conclusion, I extend my thanks to the Ministers of Energy and Mineral Resources, Board and Board Committee members, management and staff for their contributions to the successes of the Agency during the financial year.



Mr M Fusi

19 July 2018

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Chief Executive Officer's Report

1. Introduction

The 2017/2018 financial year was a satisfactory year for the Agency – it continued to remain steadfast in realizing its mandate whilst facing a number of strategic and operational challenges, which adversely affected the company's operations. Key amongst these challenges are the pending finalisation of the Mineral Petroleum Resources Development Amendment Bill and the low oil price. It would appear that these challenges inhibited sizable investments.

In recognition that human capital is the Agency's biggest asset, the Agency launched a number of initiatives to ensure that the Agency harnesses its human capital both effectively and efficiently. Chief amongst these initiatives was a company-wide skills audit, which was geared to ensure that the company's skills were aligned with its future.

The Agency also successfully convened a Transformation Colloquium under the theme "*In pursuit of substantial and meaningful participation by Historically Disadvantaged Persons in South Africa's Upstream Oil and Gas Industry*". The discussions at the Colloquium were both constructive and insightful. The lack of financial resources by HDSA's was unequivocally tabled as a significant barrier to entry into the oil and gas industry. To that end, the Agency intends to convene another transformation colloquium during the 2018/2019 financial year, which intends to provide a platform for stakeholders to tackle access to financial resources by HDSA's.

The Agency also continued with its drive to maintain its reputation as a well-respected and technically capable institution. As such, the Agency continued with hosting exploration company meetings and data room visits; participating in international trade exhibitions; and advertising in industry magazines, journals and on business development websites. To ensure that the Agency remains recognized as a technically capable institution, it maintained its internal resource catalogue; and it enhanced its data management infrastructure.

The Agency received its first MTEF allocation from National Treasury, which was less than the requested amount. However, the Agency proactively embraced its new funding reality. The Agency launched an aggressive campaign to drive operational efficiencies and accountability across the value chain. It also identified a number of revenue generation ideas for the financial year. To date, the Agency recorded better than expected revenue generation. Notwithstanding the aforementioned, the Agency had a good financial year.

2. Regulation

The Regulation Division is responsible for regulating the exploration for, and the exploitation of petroleum resources in South Africa in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)(MPRDA). Regulatory activities undertaken by the Regulation Division involve receiving and processing of applications for permits/rights and monitoring compliance with the requirements of the MPRDA and the terms and conditions of permits/rights by rights/permit holders. Furthermore, the Division is responsible for developing regulatory administrative systems such as guidelines and procedures to enable the seamless understanding and application of the MPRDA by applicants.

During the year under review, the Agency hosted a successful transformation colloquium informed by the imperative to advance substantial and meaningful participation by HDSA's in the upstream oil and gas sector, as required by section 2(d) of the MPRDA. The then Minister of Mineral Resources, Mr. Mosebenzi Joseph Zwane delivered a keynote address and made a clarion call to industry to start engaging with government and provide possible and practical solutions that are meant to open up the upstream oil and gas industry to HDSA's.

The Acting Chief Executive Officer of the Agency also gave a regulatory perspective to the challenge of transformation in the industry by indicating that the Agency, as the designated regulatory entity for the upstream oil and gas industry, is in the process of formulating a licensing strategy for approval by the Minister. The primary objective of the licensing strategy is to introduce innovative regulatory mechanisms to fast-track the entry of HDSA's in the upstream petroleum sector, ahead of the application by invitation dispensation.

The colloquium also identified the lack of financial resources by HDSA's as a significant barrier to entry. To that end, the Agency intends to host a panel based transformation colloquium during the next financial year where innovative ideas will be canvassed from broad based stakeholders to tackle the access to financial resources by HDSA's.

Notwithstanding the challenges of the low oil price environment and the delay in finalising the MPRD Amendment Bill, South Africa still continues to attract investment, mainly in the form of multi-client 2/3D seismic data acquisition, which is a vital part of exploring for oil and gas.

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The delay in finalisation of the MPRD Amendment Bill is still impeding oil and gas companies from making final investment decisions that will result in commitment of drilling exploration wells as committed during Operation Phakisa's Ocean Economy Oil and Gas Lab. The finalisation of the MPRD Amendment Bill will certainly go a long way in accelerating oil and gas exploration in 2018, with French oil major Total expected to resume drilling in the high-potential Brulpadda-1AX well before the end of 2018.

2.1 Processing of applications

Description	Technical Co-operation permits	Exploration rights	Production rights	Reconnaissance permits	TOTAL
Total applications not finalised at 1 April 2017	11	45	2	1	59
New Applications received after 1 April 2017	13	16	-	1	30
Rejected/Withdrawn	(3)	(7)	(1)	(1)	(12)
Applications for renewal Granted	-	8	-	-	8
Refused	(18)	(14)	-	(1)	(33)
	-	(2)	-	-	(2)
Pending as at 31.03.2018	3	46	1	-	50

2.2 Progress monitoring, compliance and enforcement

Regulation Division is tasked with, amongst others, monitoring of activities / operations, and ensuring that these activities and operations are executed in accordance with the relevant regulations and within stipulated conditions in the signed permits / rights. The Division has a robust Progress Monitoring and Compliance Enforcement Programme which entails the following:

- Reviews of daily, weekly, monthly, quarterly and annual progress and compliance reports received from permit / right holders;
- Site inspections at active operations to assess if activities / operations are conducted as per approved Work Programmes, Drilling Plans, Environmental Management Programmes / Plans and Social and Labour Plans;
- Issuing of rectifying instructions in the form of non-compliance letters in instances where non-compliance instances were noted;
- Ensuring implementation of contractual obligations such as training obligations in Reconnaissance Permits and the payment of all fees payable in terms of the MPRDA;
- Convening Technical Advisory Committee Meetings(TACM's) with permit / right holders to assess progress made against approved Work Programmes;
- Reviewing financial provisions for rehabilitation and management of environmental impacts; and
- Compiling compliance and inspection reports.

Two (2) Reconnaissance Permits, twenty (20) Technical Cooperation Permits(TCP's), twenty-four (24) exploration rights, and six (6) production rights were active permits and rights during 2017/18 financial year and were therefore monitored. Review of the progress reports generally reflects compliance of the operators with the terms and conditions of the permits and rights, with an exception of a few non-complying holders. For operators who do not comply with the terms and conditions of the permits / rights, instructions to take rectifying steps in the form of non-compliance letters continued to be issued.

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3. Petroleum Resources Management

3.1 Promotional Activities

Promotional activities for the year were conducted according to a limited programme of conference attendance, concentrating mainly on maintaining South Africa's profile with explorers and stakeholders. The promotional plan comprised exhibits and presentations at only three local and international conferences in an effort to save costs whilst addressing the need of maintaining the Agency's profile. However, additional events were attended within budget. Attendance at the Mining Indaba was funded as a corporate project. Other activities included hosting exploration company meetings and data rooms at the Agency's offices, participating in international trade exhibitions and advertising in industry magazines, journals and on business development websites as before. The division continued with its emphasis on building the company's reputation as a well-respected, technically capable institution, and this has been addressed through strong participation in the AAPG Unconventional Resources Geotechnical Workshop and the South African Geophysical Association's conference (SAGA) held in Cape Town during the year, presentations at other technical events and the publication of major technical reports.

Technical work on the offshore continued to focus on the long term basin analysis projects being carried out by the Petroleum Resource Management Division. These projects are concerned with the geological and geophysical understanding of the geological basins of South Africa.

Both the Gamtoos Algoa Basin Analysis(GABA) project and the East Coast Basin Analysis(ECBA) project were completed this year, with the production of externally reviewed, published electronic documents. Technical work resulting from these major projects was presented at the EAGE as well as SAGA, where work from the GABA project was awarded best poster. Initial work on the basin analysis project for the Pletmos Basin began.

The Agency's project on unconventional resources continued. A new technical poster was produced on the assessment of the shale gas potential of the Karoo, and two new information atlases completed. A map of the CBM potential of the Tuli Basin was published. Technical papers on shale gas and CBM were presented at the AAPG Unconventional Gas Workshop and the Fossil Fuel Foundation sustainable energy conference. Evaluation of gas hydrate potential also continued.

Other technical work concentrated on the resource inventory and migration of conventional prospect data to the spatial database. Five new offshore prospects were identified and just under half of all prospects are now included in the spatial database. The inventories for shale gas and CBM were updated with probabilistic estimates for all shale formations and new estimates for CBM.

This year the Agency exhibited and delivered promotional presentations at the AAPG International conference and exhibition, held in London, Africa Upstream in Cape Town, and the APPEX conference and exhibition in London. Unplanned promotional events included the Mining Indaba, Africa Oil and Gas Summit and Oil and Gas Africa.

Technical events planned for the year were the EAGE in Paris, PESGB in London, UrTec in Austin and Gas Africa in Sandton. Other technical events attended included the AAPG Unconventional Resources Geotechnical Workshop, SAGA and the Fossil Fuel Foundation conference.

As in previous years, the Agency also contributed, by invitation, to a number of other conferences such as the South African Maritime Institute's Industry Conference, seminars and public discussions on both conventional and unconventional resources.

Advertisements and advertorials highlighting the Agency's role and activities were once again placed in journals that reach this target audience, such as Service Leadership, Government Digest, Opportunity, and Black Business Quarterly, to maintain and improve the visibility of the Agency with the local business community and stakeholders.

The Agency continued with its use of the Frontier Marketing website which specifically targets qualified parties seeking business opportunities in South Africa. The Agency's own website was consistently updated with the latest information on applications and licence processing, as well as with new technical information, and remains a useful and well utilised tool for promotional efforts.

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3.2 Collaborations

The Conventional Resource Evaluation Department collaborated with Spectrum on a poster presented at the PESGB Africa meeting, on the prospectivity of the deep water Outeniqua Basin.

The Agency continued to support SANEDI with their carbon capture and storage project through technical assistance, as well as serving on the storage demonstration project steering committee.

Application of the SAMOG code by the JSE entered its second year, and the Agency assisted with company submissions by participating in readers meetings.

3.3 Technical progress

3.3.1 Orange Basin – West Coast

The internal resource catalogue was kept up to date with new deterministic and probabilistic estimates for identified prospects and leads, and results were incorporated in the resource catalogue.

3.3.2 Greater Outeniqua Basin – South Coast

The GABA project was completed, including an expanded basin modelling section and a prospectivity report. A technical paper was presented at the EAGE and a poster was presented at SAGA. Seismic data and well data loading, quality control and synthetic generation was completed for the new Pletmos Basin Analysis Project.

Technical work to assist operators again concentrated on the western and central Bredasdorp areas, the Pletmos Basin and the Gamtoos and Algoa Basins. The resource catalogue was updated with new prospects and risking.

3.3.3 Durban and Zululand Basins – East Coast

The ECBA study was completed, culminating in a published technical report. Additional work included gravity and magnetics analysis. Technical work was presented at SAGA. The resource catalogue for the east coast was updated with new prospects.

3.3.4 Onshore Karoo Basins

3.3.4.1 Shale Gas Play

The evaluation of shale gas has continued during the period in review incorporating expanded basin modelling, seismic mapping and revised resource assessments of the shale gas play for the south-central Karoo Basin. The integrated report entitled "Shale Gas Assessment of the Karoo Basin, South Africa" was completed and published. The shale gas atlas of information and subsequently the resource inventory was updated with estimates of prospective shale gas resources applying deterministic and probabilistic techniques for all target shale formations.

3.3.4.2 Coalbed Methane Play

The evaluation of the CBM resource potential of the main Karoo basin and associated coalfields continued. Technical progress reports documenting the regional CBM potential for the Highveld and Ermelo Coalfields were completed and atlases of information for these plays were compiled. The resource inventory was updated incorporating estimates of gas initially in place resources for each coalfield evaluated. The assessment of the CBM resource potential for the Tuli Basin was also completed this year culminating in a published map product and the resource inventory was updated.

3.3.4.3 Gas Hydrates

The technical evaluation of gas hydrates of the frontier offshore continued. This year, the focus was on identifying and interpreting bottom simulating reflectors from seismic for the Bredasdorp Basin. The project produced a technical progress report and associated map work showing the spatial extent of the gas hydrate stability zone for this region of the Outeniqua Basin.

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4. Geo-Technical Data Services

Substantial progress has been made on the implementation of an integrated geophysical and geological interpretation and data management system with the loading of priority 2D and 3D seismic, processed and well data into the Petrel/Studio Repository. Projects for building the spatial data management database and archiving project data into the national database in order to improve access to available data were continued. The Agency continued to transcribe seismic field and processed data from deteriorating magnetic tapes to online available disk technology. The commitment to innovation is reflected in improved internal processes to capture and archive various datasets in the appropriate databases in a quest to provide clients with world class services in the provision of quality data.

4.1 Information System Administration

Technical data and records management software applications and systems were monitored and upgraded to ensure that the data management infrastructure remained optimised for database capture, maintenance and data supply functionality:

- Software licenses and access rights to the various technical databases have been monitored and managed.
- Maintenance was performed on all geodatabase instances to ensure efficient writing and reading of technical data.
- Disaster recovery procedures have been maintained.
- Continuation of projects to improve the infrastructure of the Integrated Data Management System (IDMS) solution and provide a system to integrate all existing technical data with interpretation project data.
- The Project Archive Records System (PARS) was upgraded, and a total of 354 interpretation projects were successfully archived.
- Continuation of programmes to improve the correctness, completeness and indexing of technical data in the Electronic Document and Records Management system.

4.2 Geographical Information System (GIS) Strategy

Projects to capture and make offshore technical data available in a spatial format to clients were continued:

- Metadata for 356 wells were integrated with the existing GIS database.
- All leases (permits and rights) have been captured, updated and maintained in the ArcGIS database.
- 19 Oil and 5 Gas potential prospective areas polygons from atlas information were created and all basin potential evaluation and analysis documents related to these prospective areas were attached and published into the spatial data management database.

4.3 Seismic Data Transcription

A total of 35 336 seismic tape images have been transcribed from magnetic media to USB disk. This forms part of a 3 year internal project to transcribe, copy and retain original acquired seismic data from deteriorating magnetic tape media.

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4.4 Data Receipt and Supply Services

Technical Data received from stakeholders has been catalogued and indexed, and includes:

- Interpretive results, monthly and quarterly reports from operators and license holders.
- Seismic acquisition and processing reports together with field and processed data for various geophysical surveys.
- Gravity and Magnetic processed data and reports received for various recently acquired surveys.
- Research Reports from various students and academic institutions.

Catalogues have been provided and contracts negotiated for the supply of data to clients and licence holders.

Various clients and academic students have been assisted to view data at the data viewing room, core lay-out and microscope room facilities.

Data and assistance was provided to various academic institutions such as University of Western Cape, University of KwaZulu-Natal and University of Witswatersrand on research projects.

Data purchased by clients such as Anadarco, Ricocure, Shell and Statoil, has been negotiated and successfully delivered. Twenty-seven (27) data requests, with a total revenue value of R23 million have been processed successfully within agreed timeframes during the financial year.

5. Other strategic matters addressed

5.1 Shale Gas

The finalisation of the consideration of objections against shale gas applications by the relevant RMDEC, and the release of the Strategic Environmental Assessment for Shale Gas Development has created an enabling environment for the Agency to make recommendations to the Minister of Mineral Resources that incorporate salient matters raised in both reports. In line with the National Development Plan's objective of ensuring that exploitation of shale gas resources is pursued in an environmentally reasonable manner, the Agency will make recommendations on shale gas applications and it is anticipated that the Minister of Mineral Resources will make a final decision during the next financial year.

5.2 The Mineral and Petroleum Resources Development Amendment Bill

The MPRD Amendment Bill was initially passed by Parliament in 2014 and sent to the President for his assent. However, the President referred the Bill back to Parliament in 2015, citing concerns that may result in the Bill not passing constitutional muster.

Thereafter, the revised Bill was passed by the National Assembly on 1 November 2016. The Bill was subsequently referred to the NCOP for processing.

5.3 Operation Phakisa

Operation Phakisa is an initiative which aims to address key national priority areas through bringing together all stakeholders in a workshop or "lab" environment to address issues and fast track solutions. The Oceans Economy Lab, under the leadership of the Department of Environmental Affairs (DEA), took place from July to August 2014, in Durban. The focus of this lab, attended by over 180 delegates from national and provincial government departments, the private sector, civil society, labour and academia, was on unlocking the economic potential of South Africa's oceans.

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Four priority areas were identified. These are:

- marine transport and manufacturing activities, such as coastal shipping, trans-shipment, boat building, repair and refurbishment
- offshore oil and gas exploration and production
- aquaculture and marine protection services and
- ocean governance.

These four focus areas have been selected as new growth areas in the ocean economy, with the objective of growing them and deriving value for the country. The Agency attended and contributed to the Oil and Gas Lab, where eleven initiatives were identified to help boost the oil and gas industry while ensuring maximum benefit to the South African economy. Detailed plans for projects continuing for a number of years and involving multiple organisations, were finalised and are now in progress. Progress is monitored by the DPME, and reported on through a website accessible to the public.

The Agency is involved in 9 of the 11 initiatives and is the lead organisation in 4 of these. Each initiative plan is executed through a workgroup reporting to the Delivery Unit, which then reports to the DPME.

The Agency has attended all working group and task team meetings, and contributed as required throughout the year. The majority of tasks and deliverables assigned to the Agency were completed before the due dates and submitted to the various workgroups. The work of the D2 group on building local capacity in sub-sea research, and particularly in making a recommendation regarding the acquisition of a dedicated earth science research vessel has been merged with DEA processes to acquire its own vessel.

Over 50% of the remaining activities of Initiative E2 on enhancing environmental governance capacity of the oil and gas sector were put on hold until the procurement process to acquire the services of a service provider to assist the work group has been completed. The remaining activities and sub-activities for Initiative E3 to promote awareness of the oil and gas industry have been postponed to 2020/2021 due to the lack of financial resources.

5.4 Funding

The Agency has received its full 2017/18 allocation of R87 million from the DMR. The monies were spent on funding operations. For the 2018/19 financial year a final allocation of R98.4 million has been received. This allocation is unchanged from the prior year estimates in line with National Treasury's instruction that there would be no increases. We did, however, receive some reprioritized funding for shale gas from the DMR. This amounts to R34 million over the MTEF period to March 2021.

The Agency currently has dual reporting through its shareholder, CEF to the DOE, and to the DMR as a result of its designation in terms of the MPRDA and the Presidential Proclamation No. 44 of 2009 on the "Transfer of Administrative Powers and Functions Entrusted by Legislation to Certain Cabinet Members in terms of Section 97 of the Constitution".

Efforts to contain costs and to maintain and increase revenue streams are ongoing.

6. Organisational Values

The Agency views its values as a key driver that distinguishes it from other organisations. A survey on organisational values was conducted with the aim to provide a platform towards achieving and improving the strategic direction of the Agency.

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7. Special Projects

7.1 Extended Continental Shelf Claim

In respect of the RSA Mainland Submission, the UNCLCS issued its recommendations in March 2017. Going forward and guided by the Convention on the Law of the Sea, the recommendations of the UNCLCS leave no option other than making a revised submission. If South Africa wishes to defend its entitlement as reflected in the 2009/2013 submissions, then additional data is required. Multibeam bathymetry and seismic data are needed to demonstrate morphological and geological continuity across the Mozambique Ridge-Agulhas Plateau Complex and this has the biggest cost implication for the project in the short term.

The technical and scientific examination of the Joint Submission of the Republic of France and the Republic of South Africa is still continuing. In December 2017, the Subcommittee transmitted to the Joint Delegation a document presenting its views and general conclusions arising from the examination of the Joint Submission. The document replaces the presentation of draft recommendations envisaged under paragraph 10.3 of Annex III to the Rules of Procedure of the UNCLCS and forms the basis of draft recommendations that the Subcommittee will prepare to the full UNCLCS. Going forward the Joint Delegation will prepare a comprehensive response to the views and general conclusions of the Subcommittee. The Joint Delegation will also attend meetings with the Subcommittee at the August Session in 2018 and present a series of presentations constituting a formal response to the views and general conclusions in accordance with Annex III, paragraph 10.4 of the Rules of Procedure.

7.2 Corporate Social Responsibility

7.2.1 Upstream Training Trust

In 2017 academic year, UTT funded twenty-two students. In total, R1 336 036 was paid towards bursaries for the year with R65 000 being the maximum amount paid per student.

UTT paid R60 000 as incentives to nine deserving students that achieved an average of 65% (R5 000), 70% (R10 000) and above 75% (R15 000) for the 2016 academic year.

7.2.2 Skills Development

The Internship programme is delivering skilled employees in the key aspects of petroleum regulation and geology. The Agency's Skills Transfer programme ensures that it continues to have the capacity to fulfill on its mandate.

A company-wide skills audit was conducted. The main purpose of the audit was to identify the skills and knowledge the organisation requires to achieve its mandate and to record and acknowledge the skills and knowledge that the organisation already has.

7.3 Benguela Current Commission

The Agency continues to provide assistance and act on the Information Technology Committee of the BCC.

7.4 South African National Committee of World Petroleum Council

The Agency continues to serve as the secretariat of the SANC of the WPC

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8. Conclusion

In conclusion, 2018/19 affords us another opportunity to strive to be the best at what we do. We are mindful of the challenges that lie ahead and confident we will be able face them. In order to continue to be the best in our field of work, we will have to continue to work on our internal efficiencies, maintain cost control, explore ways to develop new revenue streams, increase work excellence and enable divisions to deliver on their key mandates.

Let me take this opportunity to thank the Minister of Energy, the Minister of Mineral Resources, their respective deputy Ministers, the respective Directors-General and their staff for their guidance, leadership and contribution to the successes achieved this year. I also wish to thank the Agency's Board of Directors for their effort and availability to make this year a successful one for the Agency. My humble gratitude goes to the Agency's entire workforce for their diligence, endurance and commitment in executing their respective tasks.



Ms L Mekwe
Acting Chief Executive Officer

19 July 2018

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Directors' Responsibilities and Approval

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The AGSA is responsible for reporting on the fair presentation of the annual financial statements.


The annual report is prepared in accordance with International Financial Reporting Standards(IFRS)and the Companies Act of South Africa of 2008, as amended. This annual report is based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors are also responsible for the company's system of internal control. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of assets and to prevent and detect misstatements and losses.

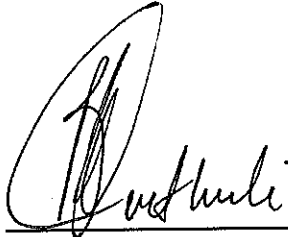
Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The annual financial statements have been prepared on the going concern basis since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 30 - 73, for the year ended 31 March 2018, which have been prepared on the going concern basis, were approved by the Board of directors in terms of Section 51(1)(f) of the PFMA on 19 July 2018 and were signed on its behalf by:



Mr M Fusi
Chairperson



Ms B Luthuli
Director

SOUTH AFRICAN AGENCY FOR PROMOTION OF PETROLEUM EXPLORATION AND EXPLOITATION SOC LIMITED

Annual Report for the year ended 31 March 2018

Statement on Corporate Governance

1. Introduction

Petroleum Agency SA ensures that its processes and practices are reviewed on an ongoing basis in order to ensure adherence to good corporate governance practices, which are continually benchmarked against best market practices.

2. Compliance

The Board believe that Petroleum Agency SA endorses the principles as set out in the Protocol on Corporate Governance, and where applicable, the King Report on Corporate Governance for South Africa (King IV) and have endeavoured to comply with the principles incorporated in the Code of Corporate Practices and Conduct and the PFMA.

Petroleum Agency SA has a formalised system of Corporate Governance as set out below.

3. Governing Bodies

Board of Directors

Petroleum Agency SA has a unitary board structure made up of executive and non-executive directors, appointed by the shareholder. The Board meets at least once every quarter, and executive managers attend by invitation. The Board charges executive management with the day-to-day running of Petroleum Agency SA, with the Board addressing a range of key issues to ensure that it retains the strategic direction of, and proper control over, Petroleum Agency SA. The non-executive directors are appointed on a three year cycle and reappointment is not automatic. The offices of Chairperson and CEO are separated.

In accordance with the PFMA the Board is the accounting authority of Petroleum Agency SA.

The Board's primary responsibilities include the appointment of the CEO, determining Petroleum Agency SA's objectives and values and giving strategic direction to Petroleum Agency SA, taking effective and appropriate steps to ensure that key risk areas and key performance indicators of Petroleum Agency SA's business are identified, monitoring the performance of Petroleum Agency SA against agreed objectives, advising on significant financial matters and reviewing the performance of executive management against defined objectives and applicable industry standards, as well as:

- Approving key policies, risk management and relevant transactions that exceed managements' levels of authority;
- Reviewing and approving Petroleum Agency SA's strategy, objectives, and plans;
- Considering and approving annual financial statements and submissions to the shareholder;
- Ensuring adherence to good corporate governance and ethics;
- Monitoring and directing triple bottom line performance; and
- Reviewing effectiveness of controls.

Company Secretary

The company secretary provides the Board with guidance and advice on matters of business ethics and good governance, as well as on the nature and extent of their duties and responsibilities and how such duties and responsibilities should be properly discharged.

Each of the directors has unrestricted access to the advice and services of the company secretarial team, company information, and is entitled to seek independent professional advice, at Petroleum Agency SA's expense in pursuance of their duties as directors.

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Annual Report for the year ended 31 March 2018

Statement on Corporate Governance

Board Committees

All committees operate under a Board approved terms of reference, which may be updated from time to time to align with the latest developments in corporate governance. Each committee operates within these defined terms of reference and is chaired by a non-executive director or an independent member.

Board Audit and Risk Management Committees

The Board Audit and Risk Committees comprise of three non-executive directors, two which are independent members, appointed by the shareholder at each annual general meeting. Due to a vacancy on the committees there are currently two independent members. The committees meet at least four times per annum. The committees are chaired by an independent non-executive director who is not the Chairperson of the Board.

This committees review and make recommendations to the Board on matters related to annual financial statements, financial reporting, financial and IT governance and risk

The committees consist of members with relevant experience. The terms of reference are reviewed annually by the Board.

The External Auditor and Chief Audit Executive have unrestricted access to the committees and attend all meetings.

The Acting CEO and Chief Financial Officer are permanent invitees to these meetings.

Board Human Resources Committee

This committee is chaired by an independent, non-executive, director and comprises members appointed by the Board. The Acting CEO and the Human Resources Manager attend the committee meetings by invitation.

This committee reviews and recommends annual remuneration increases, terms and conditions of employment, the payment of incentives and bonuses, general fringe benefits, human capital related policies and the appointment of senior staff at an executive level.

Board Technical Committee

The Board Technical Committee consists of non-executive directors and independent members and is chaired by a non-executive director who is appointed by the Board.

This Committee considers reports, technical matters for advice to the Board.

4. Materiality and Significant Framework

A materiality and significant framework is in place. Its' purpose is to regulate disclosures of material facts to the Ministers of Energy and Mineral Resources, disclosures in Petroleum Agency SA's annual financial statements and approval from the Minister of Energy for participation in certain transactions.

5. Directors' responsibility for the annual financial statements

The directors of Petroleum Agency SA are responsible for the annual financial statements and other information presented in the annual financial statements. The AGSA is responsible for performing an independent audit of the annual financial statements.

The annual financial statements and notes thereto are prepared in accordance with IFRS. Accounting policies are consistently applied except where otherwise stated, in which case full disclosure of changes is made.

The directors believe that the company will continue as a going concern in the year ahead.

6. Internal Audit

Petroleum Agency SA uses the services of the CEF internal audit function that has the support and co-operation of both the board and management. The internal audit function has a written terms of reference, approved by the CEF Board of directors, and noted by the Board, annually.

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Annual Report for the year ended 31 March 2018

Statement on Corporate Governance

The internal audit function carries out its work in terms of an approved work plan based on the risk framework of the company. The Chief Audit Executive has full access to the Chairperson of the Board Audit Committee and the Board.

The key responsibilities of internal audit are to the Board, its committees, or both, in discharging its responsibilities by:

- Evaluating Petroleum Agency SA's governance processes including ethics;
- Performing an objective assessment of the effectiveness of the risk management and internal control framework;
- Systematically analysing and evaluating business processes and associated controls; and
- Providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities.

The internal audit function adheres to the International Standards for Professional Practice of Internal Auditing and Code of Ethics. The Chief Audit Executive has developed and maintained a quality assurance and improvement programme. The internal audit function is subjected to an external quality review at least every five years. The last review was conducted during 2013 and the evaluation result was "general conformance", which is the highest level of conformance. The next review is due in 2018.

7. Management Reporting

Comprehensive management reporting disciplines are in place, which include the preparation of an annual corporate plan and budget approved by the board of directors. Monthly and quarterly results are reported against approved budgets to the executive management and board of directors respectively for review.

The budget and capital expenditure are reviewed and approved by the Board. Quarterly performance results and financial status of the company are reported against approved targets.

Executive management meets on a regular basis to consider day to day issues pertaining to the business of the company.

8. Code of Ethics

The Code of Ethics serves as a guide to assist the Board, Executive Management, Staff and Contractors of the company in making ethical decisions and engaging in appropriate and lawful conduct.

In addition Directors are required annually to declare their interests in contracts as well as Directorships in other companies in accordance with the provisions of the Companies Act and the PFMA.

The company is committed to the eradication of fraud, corruption, misconduct and any irregularities.

The company also has a Fraud Prevention Policy, which addresses fraud risk management, from both proactive and reactive perspectives.

The group has contracted the services of an independent hotline service providing for the confidential reporting of fraud and other inappropriate behaviour.

SOUTH AFRICAN AGENCY FOR PROMOTION OF PETROLEUM EXPLORATION AND EXPLOITATION SOC LIMITED

Audited Annual Financial Statements for the year ended 31 March 2018

Performance Against Objectives

The results presented in the annual financial statements are reported in terms of the company's performance measurement systems and this is in compliance with the requirements of the PFMA.

Petroleum Agency SA's business performance against predetermined objectives is contained in the table below, the 3 columns named; "target score", "actual score" and "comments" are not subject to audit and therefore no opinion expressed, thereon.

Objective	Initiatives	Measures	Weight	Target	Achieved	Target Score	Actual Score	Comments
Attract investment by promoting prospectivity	Promote prospectivity at specified venues and through selected media	Promotional Plan in Place At least 3 promotional events (local and international) At least 4 technical events (local and international)	3%	31 Mar 2017 31 Mar 2018	Achieved - all plans were in place by 31 Mar 2017 Attended 8 promotional events by 31 Mar 2018 Attended 6 technical events by 31 Mar 2018	3	5	Completed the promotional and technical events plan and attended more than 1 extra event within Budget. Delivered presentations at 4 additional promotional events. Achieved a score of 85% positive in client survey. 8 Extra events attended - 7 within budget. Mining Indaba paid for over budget.
	Position and promote the good image of the Agency	5 information stakeholder engagement sessions with stakeholders	4%	5 Sessions by 31 Mar 2018	Achieved - Held 9 stakeholder engagement sessions by 31 Mar 2018	3	5	9 Stakeholder engagements during the year.
	Provide efficient geotechnical data and information services to clients	Delivery of data services within agreed timeframes	4%	An average of 95% supplied by dates as agreed with customers	Achieved - 100% of data requests were supplied on or before dates agreed with customers	3	5	27 out of 27 (100%) of data requests were provided within agreed timeframes plus 100% satisfaction by clients on service delivery as received from clients who returned transmittals.

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Audited Annual Financial Statements for the year ended 31 March 2018

Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target Score	Actual Score	Comments
Continue with the defence of the ECSC	<p>Planning for Defence of RSA Claims</p> <p>Incorporate relevant new public bathymetric data</p> <p>Technical presentations delivered to CLCS on request</p>	<p>Plan for Defence compiled</p> <p>New public bathymetric data incorporated with project database</p> <p>Presentations and written responses to CLCS prepared on request</p>	3%	<p>31 May 2017</p> <p>31 Mar 2018</p> <p>31 Mar 2018</p>	<p>Achieved - plans compiled by 31 May 2017</p> <p>Achieved - New public bathymetric data incorporated with project database by 31 March 2018</p> <p>Achieved - Written responses to the CLCS were prepared and delivered on request by 31 March 2018</p> <p>Achieved - A technical presentation was prepared and delivered by 31 March 2018</p>	3	5	<p>New bathymetry data for the RSA Mainland 'Saddle Region' was incorporated into the project database. Technical presentation on slope processes along the Orange Cone was presented at the EGU2017 Conference</p> <p>The Agency co-authored a technical paper published in the AGU Journal on the new and updated bathymetry database for the South West Indian Ocean along the East Coast.</p> <p>A map of the outer limits of the continental shelf aligned with the recommendations of the CLCS for the RSA Mainland was compiled.</p>
Promote and facilitate transformation in the oil and gas industry - HDSEA participation at the exploration phase	<p>Ensure that new exploration rights have at least 10% HDSEA participation</p>	<p>Percentage of exploration rights with 10% HDSEA participation concluded during the year</p>	7%	<p>100% new exploration rights have 10% HDSEA participation</p>	<p>Not applicable - No new exploration rights issued by 31 March 2018.</p>	3	4	<p>Successful Transformation workshop took place on 19 October 2017.</p> <p>No new exploration rights issued.</p> <p>3 existing rights issued subject to 10% HDSEA participation within a period of two years.</p>
Formulate regulatory/licensing strategy - Manage available acreage	<p>Submit recommendations for a licensing strategy on the management of acreage to the Minister of Mineral Resources</p>	<p>Licensing Strategy recommendations submitted to the Minister of Mineral Resources</p>	4%	<p>Licensing Strategy on the management of acreage submitted to the Minister of Mineral Resources by 31 Mar 2018</p>	<p>Not achieved - Licensing Strategy recommendations on the management of acreage approved by the CEO but not submitted to the Minister by 31 Mar 2018</p>	3	2	<p>Licensing strategy approved by the CEO but not submitted to the Minister of Mineral Resources by 31 Mar 2018</p>

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target Score	Actual Score	Comments
Formulate regulatory/Licensing strategy - Design a strategy to optimise exploration in a low oil price environment	Undertake research on appropriate regulatory and fiscal strategies under low oil price environment	Strategy on appropriate regulatory and fiscal intervention under a low oil price environment submitted to the Minister of Mineral Resources	4%	Strategy submitted to the Minister of Mineral Resources by 31 Mar 2018	Not achieved - Strategy on appropriate regulatory and fiscal intervention under a low oil price environment approved by the CEO but not submitted to the Minister of Mineral Resources by 31 Mar 2018	3	1	Strategy Document on regulatory and fiscal intervention under low oil price approved by the CEO by the 31 Mar 2018. Not submitted to the Minister of Mineral Resources.
Regulate the upstream petroleum industry to ensure equitable and sustainable development of upstream resources - Process applications within legislative/set timeframes	Complete Record of Decisions; (1) Technical Records of Decision within 50/70/90/110 days from acceptance/acknowledgement of an application. (2) Complete the recommendations in respect of applications for environmental authorizations within 70 days from date of receipt of BAR/EIR and 20 days from the date of acknowledgement of application for amendment. Issue permits/rights within 25 days from the date of receipt of the final execution documents.	Percentage of RoDs completed within set time frame	2%	100% completed within legislated /prescribed timeframes	Achieved - 100% of RoDs completed within legislated/prescribed timeframes	3	5	33 TRoD's were completed within due date. 17 of 33 (51.5%) were completed in 40/60/80/100 days from the acknowledgement/acceptance dates. 6 of 6 EAs were completed within due date. 3 of 6 (50%) were completed within 60 days.
		Percentage of rights/permits issued within set timeframes	1%	100% issued within prescribed timeframes	Achieved - 100% of rights/permits issued within set/prescribed timeframes	3	5	30 of 30 rights/permits issued within 20 days from the date of receipt of final execution document

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target score	Actual score	Comments
Regulate the upstream petroleum industry to ensure equitable and sustainable development of upstream resources (continued) - Monitor and enforce compliance with terms and conditions of rights and permits	Complete compliance reports within 25 days from the date of receipt of report from right/permit holders	Percentage of compliance reports completed within set timeframe	3%	100% of compliance reports completed within set timeframe	Achieved - 100% of compliance reports completed within set timeframes	3	5	204 out of 204 (100%) technical compliance reports were completed within 20 days from the date of receipt of the holders' progress reports, and a Compliance Workshop was conducted in March 2018. 5 of 5 SLP compliance reports completed within 20 days; 28 of 28 environmental compliance reports completed within 20 days
	Carry out all scheduled inspections and complete inspection reports within 25 days from the date the inspection was conducted	Percentage of inspection carried out and reports completed within set timeframe	2%	100% of inspection reports completed within set timeframe	Achieved - 100% of scheduled inspections carried out and inspection reports completed within set timeframes	3	4.5	1 technical site inspection carried out during the financial year and a report concluded within 20 days. 3 of 3 SLP compliance inspections conducted and reports concluded within 20 days; 3 of 3 environmental site inspections conducted and report concluded within 20 days.
-Contribute to socio-economic development	Initiate section 47 process for the suspension/cancellation of non-compliant permits/rights within 30 days from the expiry of the period stipulated in the last remedial letter.	Percentage of non-compliant permits/rights recommended for suspension/cancellation	1%	100% of non-compliant rights/permits recommended for suspension/cancellation	Achieved - 100% of non-compliant rights/permits recommended for suspension/cancellation	3	3	No recommendation required and/or made during the year.
	Facilitate local economic development through SLP	For each production right submitted at least 1 infrastructure development project and 1 self-sustaining project are concluded.	1%	At least 1 infrastructure development project and 1 self-sustaining project in each SLP are included in each production right	Achieved - 2 SLP's negotiated with PetroSA. Both have at least 1 infrastructure development project and 1 self-sustaining project.	3	3.5	Of the 2 SLP's negotiated with PetroSA. One has 2 infrastructure development projects and 2 self-sustaining projects. The other has 2 infrastructure development projects and 1 self-sustaining project

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target score	Actual score	Comments
-Evaluate petroleum resources to enhance our knowledge of South African oil and gas prospectivity -Document Geology and petroleum prospectivity of basins	Conduct a geological evaluation of Basins defined below to provide a documented understanding of South Africa's basins	Project plans	14%	31 May 2017	Achieved - Project plans in place by 31 May 2017 Achieved - Final ECBAs report completed as external electronic publication by 31 Mar 2018. Achieved - Final GABA report completed as external electronic publication by 31 Mar 2018. Achieved PLETBAS - all planned activities completed by 31 March 2018 Achieved - Integrated report on shale gas resource potential completed by 31 Mar 2018 Achieved - All planned activities for Gas Hydrates completed by 31 Mar 2018 Achieved - Technical Report on CBM resource potential of the MKB completed by 31 Mar 2018	3	4.7	All project plans in place by 31 May 2017 ECBA - Final report completed as external electronic publication. Technical presentation at SAGA GABA - Final report completed as external electronic publication. Technical presentations at SAGA and EAGE. PLETBAS - All planned activity completed. Completed 6 synthetics Shale Gas: A new technical poster on the assessment of the shale gas potential of the Karoo Basin was compiled and technical papers were submitted, accepted and presented at AAPG and the conference on Sustainable Energy; Gas Hydrates - All planned activity completed. Bottom simulating reflectors identified and mapped and technical progress report for southern margin compiled and submitted. CBM: Two new atlases of information for the MKB were compiled and 2 technical papers were submitted, accepted and presented at AAPG Unconventional Resources Geotechnical Workshop and Fossil Fuel Foundation conference on Sustainable Energy Development. The map product on the CBM potential of Tull Basin was published.
	ECBA: External review and internal publication	Internal Publication (Final Report) (3%)		31 Mar 2018				
	GABA Phase 2, 100% and editing of Final document	Internal Publication (Final report) (3%)		31 Mar 2018				
	PLETBAS	Planned Activities Completed (1%)		31 Mar 2018				
	Shale Gas: Southern Karoo Phase 4	Integrated report on shale gas resource potential (Final report) (3%)		31 Mar 2018				
Gas Hydrate: Phase 1	Planned Activities Complete (2%)							
CBM: Main Karoo Basin	Technical Report on CBM resource potential of the MKB (2%)							
-Update petroleum resource inventory	Maintain Resource Catalogue (all basins)	Project Plans	5%	31 May 2017	Achieved - all plans in place by 31 May 2017 Achieved - Resource catalogue for all basins was updated by 31 Mar 2018 Achieved - 100% listing in catalogue with 80% risked for East Coast/Gamtoos-Algoa/Bredasdorp-Pletmos and West Coast by 31 Mar 2018 Achieved - Shale gas resource inventory for Whitehill formation updated by 31 Mar 2018 CBM Resource inventory updated by 31 Mar 2018	3	5	Achieved - all plans in place by 31 May 2017 Achieved - Resource catalogue for all basins was updated by 31 Mar 2018 Achieved - 100% listing in catalogue with 80% risked for East Coast/Gamtoos-Algoa/Bredasdorp-Pletmos and West Coast by 31 Mar 2018 Achieved - Shale gas resource inventory for Whitehill formation updated by 31 Mar 2018 CBM Resource inventory updated by 31 Mar 2018
	Updated Resource Catalogue for All Basins (1%)			31 Mar 2018				
	East Coast/Gamtoos-Algoa/Bredasdorp-Pletmos and West Coast: 100% listing in catalogue / 80% risked (2%)			31 Mar 2018				
	Updated Shale gas resource inventory (Whitehill formation) (2%)			31 Mar 2018				
	CBM resource inventory (1%)			31 Mar 2018				

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target score	Actual score	Comments
Ensure accessible and well-managed geotechnical petroleum information for South Africa -Enhance the technical database	Review and Implement agreed GIS Strategy	Agreed GIS Strategy Plan by 30 Jun 2017 and Implementation Progress Report by 31 Mar 2018	2%	30 Jun 2017 and 31st Mar 2018	Achieved - GIS strategy plan agreed by 30 Jun 2017 Achieved - Implementation progress report completed by 31 Mar 2018	3	3	All Planned GIS activities executed according to Strategy Plan and Progress Report submitted to Management by 28 Mar 2018
	Review plan and continue with transcription of seismic data to modern storage media	Revised plan by 30 Jun 2017. Implementation of Transcription project as per project plan	5%	30 Jun 2017 31 Mar 2018	Achieved - Revised Transcription plan completed by 30 Jun 2017 Achieved - transcription project implemented according to plan by 31 Mar 2018	3	4	For the year we managed to transcribe 1,4395 tape images plus delivered 12448 to clients and migrated 8593 tape images to IDMS (that need reading from original tapes). Total thus 35436 against target of 34248, exceeding target by 3.4 %
-Design and build an integrated G&G data management solution	Review Records Management Compliance Plan and continue with implementation thereof	Revised Records Management Compliance Plan by 30 Jun 2017 and final Progress Report on implementation by 31 Mar 2018	3%	30 Jun 2017 and Progress Report by 31 Mar 2018	Achieved - Revised records management plan completed by 30 Jun 2017 Achieved - progress report on implementation submitted by 31 Mar 2018	3	3	Agreed changes to Records Management compliance requirements, successfully implemented and a Progress report submitted to Management by 28 Mar 2018
	Plan and Implement an Integrated Data Management Solution.	Data Migration Plan by 30 Jun 2017 and all planned data migrated by 31 Mar 2018	7%	Data migration Plan by 30 Jun 2017 and Data Migrated Results Report by 31 Mar 2018	Achieved - Data migration plan completed by 30 Jun 2017 Achieved -All planned data migrated and progress report completed by 31 Mar 2018	3	4	All planned activities received required attention and high priority recent surveys loaded to IDMS plus substantial progress being made with the archiving of Project Data being archived in PARS as per migration progress report

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target score	Actual score	Comments
Capacity Building - Provide continuous learning and growth opportunities	Conduct a skills audit to identify any skills gap.	Skills audit completed 30 Jun 2017.	5%	30 Jun 2017	Not Achieved - skills audit completed in October 2017	3	4	Skills Audit done during Oct 2017. needs analysis completed in Oct 2017. Workplace Skills Plan developed in Mar 2018
	Creates a training needs analysis to identify where training is needed	Training needs identified and implemented according to the plan		31 Mar 2018	Achieved - Training needs identified and implemented according to the plan by 31 Mar 2018			Skills Development Committee established and trained in Feb 2018
Ensure an effective organisation -Review the organisation structure	Review and recommend the Organisation Structure for optimal efficiency	Review report An Organogram with job profiles recommended to the Board.	5%	30 Sep 2017 31 Mar 2018	Achieved - review report completed by 30 Sep 2017 Achieved - organogram reviewed and approved by the Board by 31 Mar 2018. Achieved - values review completed by 31 Mar 2018	3	4	Organogram reviewed and approved Oct 2017. Job profiles completed by 31 Mar 2018 Survey of Organisational Values compiled and ready for submission to the Board.
	Build and develop leadership capability.	Leadership development is implemented for Senior Management	5%	31 Mar 2018	Achieved - Leadership development for Senior management was identified and implemented by 31 Mar 2018	3	3	Performance management training for management and staff and one on one leadership training sessions for management done. Employee engagement survey not conducted
	Employee Engagement. Recruitment, attraction and retention strategy review	Employee engagement survey confirms a 5% increase on employee engagement year on year A new recruitment, attraction and retention strategy is in place.			Not achieved - engagement survey not completed by 31 Mar 2018 Achieved - new recruitment, attraction and retention strategy developed by 31 Mar 2018			Employee Attraction and Retention Strategy has been developed. In addition two policies and procedures have been developed 2019-2023 HR Strategy has been developed and submitted to the HR Committee
Ensure long-term sustainability and viability of the Agency - Actively participate in ensuring that continued funding is accessed	Ensure that the Agency meets all requirements to ensure that the funding secured by the DMR to fund operations can be allocated accordingly	MTEF Cycle submissions made Adjustment estimates are submitted timeously Receive Letter of allocation Detailed ENE budget submissions are made and queries responded to	5%	As per National Treasury & DMR deadlines (May/Jun) As per National Treasury & DMR deadlines (July/Aug) As per National Treasury & DMR deadlines (Oct/Nov) As per National Treasury & DMR deadlines (Oct-Dec) Feb 2017.	Achieved - MTEF Cycle submissions made as per NT and DMR deadlines Achieved - no adjustments allowed in 2018 MTEF Achieved - allocation letter received Achieved - all necessary budget submissions made and queries responded to timeously.	3	3	Final allocation letter received 15 Dec 2018

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Performance Against Objectives

Objective	Initiatives	Measures	Weight	Target	Achieved	Target score	Actual score	Comments
Ensure long-term sustainability and viability of the Agency (continued) -Identify and evaluate potential new revenue streams and sustain and enhance existing streams	Ensure completeness of revenue (especially from revenue sharing agreements) Investigate and report on whether there are additional opportunities for revenue sharing or if there are any other opportunities to generate additional revenue to supplement the allocation from the DMR	Submit a report to the Audit committee detailing revenue received from data sharing agreements and what processes were followed to ensure completeness of the revenue Investigate new revenue generating opportunities and report on them to the Audit Committee	5%	31 Mar 2018	Achieved - Report on completeness of revenue received and revenue generating opportunities submitted to audit committee by 31 Mar 2018	3	5	Report was submitted to the Audit Committee in January 2018 The Board has approved that the Agency go out on tender for the purchase of a building and that the Agency appoint 10 interns for the next three financial years.