



(Incorporated in the Republic of South Africa)  
(Registration number 1966/009846/06)  
Share code: GND & GNDP  
ISIN: ZAE000072328 & ZAE 000071106  
("Grindrod" or "the Company")

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## **ANNOUNCEMENT**

### **OTGC NGQURA LIQUID BULK TERMINAL**

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#### **INSUFFICIENT CUSTOMER COMMITMENT STALLS THE DEVELOPMENT OF THE LIQUID BULK TERMINAL IN THE PORT OF NGQURA**

Oiltanking Grindrod Calulo (Pty) Ltd (OTGC) announced today that the development of the Liquid Bulk Terminal in the Port of Ngqura has stalled.

OTGC is a joint venture between operating partner Oiltanking GmbH, a German multinational that is one of the largest independent operators of tank terminals for oils, gases and chemicals worldwide, and local partners Grindrod, Calulo Investments (Pty) Ltd, a diversified BBBEE investor in the petrochemical industry and Adopt-a-School Foundation, a non-profit organisation which supports education in disadvantaged schools.

OTGC was awarded the preferred bidder status in 2011 by Transnet National Ports Authority (TNPA) to develop a liquid bulk storage terminal in the Port of Ngqura to service fuel importers in the Nelson Mandela Bay region. The facility is intended to replace the existing terminal in Port Elizabeth.

Since the date of award, OTGC has been engaged in negotiating the build, own, operate and transfer (BOOT) agreement, engineering design of the terminal, obtaining commercial commitments from customers, negotiating funding with lenders, and obtaining the required regulatory permits for the construction of the project. Construction of the terminal commenced in 2019 with the earthworks now complete.

To date, OTGC has not been able to secure sufficient customer commitment for the project. OTGC is therefore in a regrettable position that it is unable to execute on the project and is liaising with TNPA on the way forward.

By order of the board

25 February 2020

Sponsor: Grindrod Bank Limited