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MEDIA STATEMENT

9 September 2026

CEF outlines roadmap to rebuild South Africa's refining capacity and unlock economic opportunities in Durban South

Durban, 9 September 2026 – The Central Energy Fund (CEF) Group has reaffirmed its commitment to restoring strategic refining capacity in South Africa, with the redevelopment of the former SANPC refinery (known as SANPC refinery) site in Durban South positioned as an important component of the country's long-term energy security and economic development.

Addressing community stakeholders in Durban South today, CEF Group Chief Executive Officer, Dr Tshepo Mokoka, said the organization's approach is focused on responsibly rebuilding refining capability while unlocking economic value from existing infrastructure.

"South Africa cannot afford to lose sight of the strategic importance of domestic refining capacity. Our objective is not simply to rebuild an asset; it is to contribute to energy security, industrial capability, economic growth, and meaningful opportunities for the communities surrounding this strategic infrastructure," said Dr Mokoka.

The presentation highlighted the significant contribution that the oil and gas industry makes to the South African economy. In 2019, the industry supported R163 billion in GDP, 247,772 jobs and R94 billion in capital investment. The industry also has a significant multiplier effect, with every job in the industry supporting a further 1.52 jobs elsewhere in the economy.

However, South Africa's domestic refining capacity has declined substantially. In 2019, domestic refineries supplied approximately 78% of total demand, with imports accounting for 22%. Following the closure or mothballing of major refining facilities, domestic refining has fallen to approximately 39%, while imports now account for about 61% of finished-product supply.

Dr Mokoka said this shift reinforces the need for a sustainable and commercially viable pathway to restore domestic refining capacity.

"The refinery redevelopment must be commercially disciplined, technically credible, and financially sustainable. We therefore have to take a phased approach that creates value in the short term while building towards full-scale refining capability," he said.

CEF's roadmap consists of three broad phases.

Phase One – Bridge with imports:

CEF will seek to utilize existing tanks and transfer infrastructure to support the importation of finished products, helping to strengthen security of supply while creating a pathway towards commercial sustainability.

Phase Two – Base refinery redevelopment:

The next phase will focus on rebuilding refining capacity at the SANPC Refinery site, with a targeted throughput of approximately 400,000 barrels per day.

Phase Three – Full-scale operation:

The longer-term objective is to achieve refining throughput of 400,000 to 650,000 barrels per day, subject to the required investment, approvals, and project milestones.

CEF estimates that restoring a refinery at the scale of the former SANPC REFINERY facility could support an additional 16,220 jobs and contribute R16 billion to GDP through the refining and manufacturing segment.

He indicated that the refinery-supported employment declined from approximately 64,171 jobs in 2019 to an estimated 32,000 jobs in 2026 following the loss of refining capacity. A new refinery at ff scale has the potential to lift refinery-supported employment to approximately 48,220 jobs.

While the longer-term redevelopment progresses, CEF is pursuing opportunities to unlock value from infrastructure already available at the site.

These include the leasing of storage capacity, reinstatement of LPG infrastructure, blending operations, commercialization of laboratory services and a controlled trading programme.

The immediate objective is to generate revenue, improve utilisation of existing infrastructure and avoid unnecessary losses while the broader redevelopment case progresses.

Dr Mokoka said the approach reflects CEF's responsibility to protect and maximize the value of strategic national assets.

"We are taking a disciplined approach. Where infrastructure can generate value today, we must use it. Where investment is required, we must ensure that there is a compelling economic and financial case. And where communities are affected, they must be part of the journey," said Dr Mokoka.

CEF has identified stakeholder support and community participation as one of six critical success factors for the redevelopment, alongside government and shareholder support, financial and economic viability, environmental, social and governance performance, organizational capability and culture, and good governance and reputation.

Since December 2024, CEF has undertaken a range of initiatives in the Durban South Basin, including bursary and sponsorship programmes, enterprise development, corporate social investment, Saturday Mathematics and Science programmes, SMME opportunities, entrepreneurship programmes, and outreach initiatives.

Mokoka emphasized that these interventions have contributed to the retention of approximately eighty direct jobs and ninety-three indirect jobs, with approximately twenty new jobs created.

Dr Mokoka emphasized that redevelopment cannot succeed without the support and participation of communities.

"The social license to operate is not something that can be assumed. It must be earned through transparency, engagement, and delivery. We want the people of Durban South, Lamontville, Umlazi and surrounding communities to understand what we are seeking to achieve, to hold us accountable and, importantly, to identify opportunities where they can participate in the economic value created by this project."

CEF will continue engaging with communities, government, organized labour, business, civil society, and other stakeholders as the refinery redevelopment programme progresses.

"Our vision is about more than infrastructure. It is about building together and powering tomorrow. We believe that the responsible redevelopment of this strategic asset can contribute to a more secure energy future while creating opportunities for economic participation and social development," Dr Mokoka concluded.

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