1. Overview

SANPC SOC requires a service provider the valuation of Avedia Energy's, identifiable assets acquired, assumed liabilities and determination of useful life of the identifiable assets at the time of acquisition

2. Background

SANPC acquired a 60% equity interest in Avedia Energy (Pty) Ltd from SFF Association effective 2 May 2025. In accordance with IFRS requirements for business combinations, SANPC is required to determine the fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date. These fair values will be incorporated into SANPC's Annual Financial Statements.

Additionally, SANPC must assess and determine the useful lives of the acquired assets to ensure appropriate depreciation and amortisation treatment in line with IFRS standards.

Avedia Energy (Pty) Ltd is a private company registered under the company incorporation laws of South Africa, and it owns and operates a 2000 tons Liquified Petroleum Gas (LPG) storage facility ("terminal") in Saldanha Bay, Western Cape. The terminal was commissioned in 2017, has an on-site bottling plant and a bulk tanker handling gantry.

The assets and liabilities located at Saldanha are the following.

Immovable/tangible assets

- Furniture and fittings
- Office Equipment
- Office Installation
- Buildings - Office Saldanha
- Computer Equipment
- Fencing
- Plant & Machinery
- Tanks
- Land
- Civils & Structural
- Multi-Purpose Building
- Security Room
- Pump House
- Pump and Compressor Bay
- Cylinder Filling
- Gas Station (Tanker Loading)
- Gas Pipping
- Electrical Installation
- Firewater pumps and water filtration system
- Water storage tanks

- Fire Protection
- Instrumentation
- Capital Work in Progess (Pipe Line)
- Weigh Bridge
- Unpumbable Stock/tank bottoms

Intangible assets

- Computer software

Liabilities

- Decommissioning liability/Land rehabilitation liability

* The asset register is available upon request

3. Scope of works

The appointed service provider shall:

1. Determine the Fair Value of Assets

Determine the depreciated replacement cost (DRC) or market value, as appropriate, for all assets located at the Saldanha terminal (as listed above) as of 2 May 2025 , in accordance with IFRS 13.

2. Decommissioning liability

Estimate the cost to decommission the 2,000-ton Liquefied Petroleum Gas (LPG) storage facility and associated supporting structures, including environmental and regulatory compliance costs.

3. Useful Life Assessment

Assess the remaining useful lives of the assets located at the Saldanha terminal, considering physical condition, maintenance history, and expected future use.

4. Deliverables

- The service provider must submit a detailed valuation report that includes: The valuation methods and approaches used.
- The methodologies and assumptions applied in determining:

o Fair values of assets,

o Decommissioning liability,

o Remaining useful lives.

Supporting analysis, calculations, and references to market data or benchmarks