

Proposed Third TIPPLER and Associated Infrastructure

Background Information for *PUBLIC PARTICIPATION*



Purpose of this Document

Transnet SOC Ltd proposes the installation of an additional tippler (no 3) at the Iron Ore Terminal of the Port of Saldanha. In a tippler, open bulk freight rail wagons are unloaded by rotation. This document provides background on the project and environmental assessment process.

Background

South Africa recently overtook India as China's third largest iron ore supplier and in 2012 provided China with 40.6 million tonnes. This was a 12% improvement on the 2011 export numbers.

South Africa's revenue generated from iron ore export is steadily increasing and it is important that South Africa remains a strong competitor in the mining industry.

At present close to 60 million tonnes per annum (mtpa) of iron ore is exported from the Port of Saldanha. In order to sustain iron ore export at its current volumes a third tippler is required during refurbishment of existing tipplers.

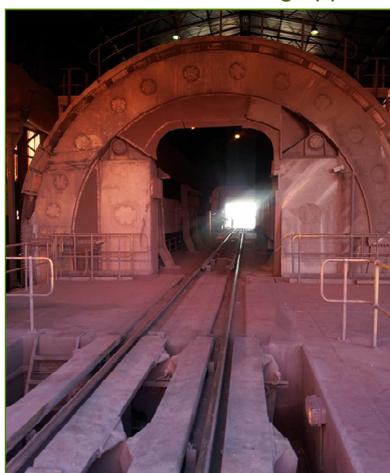


Figure 1: Existing Tippler

**Refer to
Page 8
for your
opportunities
to participate.**

GIBB (Pty) Ltd has been appointed as the Independent Environmental Assessment Practitioner to undertake the Basic Assessment Process, as well as the Public Participation Process for the project.

Strategic Objective

Essentially, the strategic objective of the proposed project is to protect revenues and to improve operational efficiency.

The existing tipplers, Tippler 1 and Tippler 2, have seen an increase in iron ore volumes over the past five years of approximately 50%. Since the tipplers are used to offload the iron ore rail wagons, they are critical in the end to end logistics chain for the Sishen - Saldanha Iron Ore Export Corridor.

Tippler 3 will maintain the minimum required tippler capacity:

- While Tippler 1 and Tippler 2 are refurbished
- During periods of possible breakdowns of Tippler 1 and Tippler 2.

Tippler 1 was installed in 1996 and requires an end of life replacement by 2016. In turn, Tippler 2 requires a mid-life major refit in terms of its planned maintenance regime by mid-2017. Tippler 2 was installed in 2005 and its end of life is expected in 2026. The ageing of equipment as well as the increasing volumes has increased the sensitivity to breakdowns. Also, despite optimisations, the two existing tipplers currently cannot achieve the Iron Ore Terminal's design capacity of 60 mtpa.

With each tippler providing a capacity of close to 30 mtpa, securing current tippler capacity is critical in terms of Transnet's revenue earnings and customer commitments.

