



BOTSWANA OIL
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BOL RE-AFFIRMS ITS COMMITMENT TOWARDS EMPOWERING CITIZEN PARTICIPATION IN THE PETROLEUM INDUSTRY

BOL re-affirms its commitment towards empowering citizen participation in the petroleum industry.

Botswana Oil Limited (BOL) which is the National Oil Company (NOC). Botswana took advantage of this year's 29th Business Botswana (BB) Northern Trade Fair in Francistown last week to educate the public as a way of creating awareness about its mandate and sharing knowledge on how it facilitates value creation and opportunities for citizens to participate in the petroleum industry.

Wholly owned by the government through the Ministry of Minerals and Energy (MME), BOL was established in 2013 and it is mandated with ensuring the security and efficiency of fuel supply in the country. It is also mandated with promoting citizen involvement in the petroleum industry. BOL has since established a citizen empowerment focused strategy to achieve significant participation of Citizen Owned Oil Companies (COOCs) in the industry. The strategy focuses on the importance of a partnership approach to achieving empowerment and capacity building for COOCs and continues to be a key driver of all sectors of the economy day to day. In an interview with the Sunday Standard last week, the Senior Manager (Marketing and Communications) at Botswana Oil Mpho Victoria Mokgosi said the theme of this year's Northern Trade Fair "Driving Economic

Diversification; Innovating for sustainable Growth" resonates well with their commitment as a transformation agent to shift business, innovation and advancing sustainability as a lever for future growth.

"We contribute towards economic diversification through empowering citizen participation, infrastructure development, strategic partnerships, sustainable transformation and environmental consciousness," she said. From an innovation and sustainability perspective, Mokgosi emphasized that they are in the process of developing an Environment Social and Governance (ESG) Strategy to align with their mandate, business strategy and operations. As the industry transitions into renewable and cleaner fuels, she said they are currently focusing on cleaner fuels including importation and distribution of bio fuels. In that regard, BOL has collaborated with research and academic institutions to explore the development and commercialization of renewable energies in an effort to reduce carbon footprints to minimize carbon emissions as well as to preserve the environment. "The Coal to liquid project is underway and will evolve into a multi petrochemical industry which will have the capacity to produce a wide range of materials from cleaner oil and natural gas, plastics, bitumen, lubricants, fertilizers, and other chemicals. This is a vital sector which will diversify and transform the economy of Botswana by supporting

agriculture, construction, and transportation, while also contributing to everyday products like cosmetics and pharmaceuticals," she explained. Botswana is currently embarking on the Ikaegeng XTL(IXTL) Coal-to-Liquid, a project that seeks to convert the country's vast coal reserves into petroleum products. Upon completion, the project is expected to significantly reduce Botswana's reliance on imported petroleum products.

The project is a private sector-led initiative with BOL's role limited to facilitation. Mokgosi added that this new industry will be a new revenue stream for the Government of Botswana and will significantly contribute towards the government's fiscus for socio-economic development across various sectors of the economy. It is also expected to create significant jobs across the multi petrochemical industry value chain. To ensure reduced impact on the environment, technologies including the Carbon Capture Utilization and Storage (CCUS) will be deployed to reduce greenhouse emissions and mitigate global climate change.

"CCUS will help ensure continued energy security by enabling the use of fossil fuels in a more sustainable way. Through Citizen Economic Empowerment Programme, Botswana Oil facilitates meaningful participation of citizens within the petroleum value chain," she said.

"The most successful one has been the growth of citizen owned trucks from

20 trucks 11 years ago to more than 130 trucks to date. Through the Citizen Economic Empowerment partnership with Debswana, BOL has facilitated enterprise development, capacity building and support for access to funds through collaborations with financial institutions.

These support services have enabled some of the transporters to expand their fleet, employ more people and grow their business across board. Four citizen companies contracted for the Debswana contract were supported to acquire accreditation by Sasol and successfully qualified and certified. They can uplift product from South Africa and deliver to any country in the Southern African Region. This opens up opportunities for support services such as truck staging, maintenance, customs clearance, training and capacity building within the value chain," added Mokgosi.

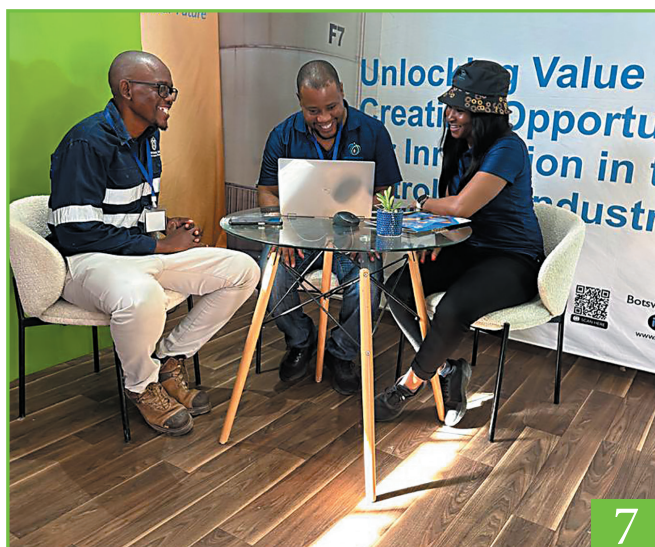
To further prove its commitment towards empowering citizen owned oil businesses, BOL has forged partnerships with financial institutions to facilitate structured funding for citizens who want to participate in the petroleum value chain. This is expected to contribute towards sustainable enterprise and supplier development for long term viability and growth of the citizen owned companies.

Among other important issues, Mokgosi highlighted that as part of managing strategic facilities and reserves, infrastructure development

is key to increase their fuel storage capacity locally to improve days cover from the current 12 days to 60 days and ultimately to 90 days as per the International Monetary Fund (IMF) standards for a landlocked country. To fulfill this mandate, BOL is currently expanding its Francistown Depot in order to increase capacity from 38 million litres to 98 million litres for all petroleum products. Ghanzi depot construction is also underway with a planned capacity to store 60 million litres of petroleum products. As the National Oil Company, BOL has been given the mandate to import 90 % of petroleum products consumed in Botswana. The 90% Import Mandate and the new industry will grow Botswana Oil into a Mega company that will declare more dividends as an additional revenue stream for the Government of Botswana and significantly contribute to the Government's fiscus for socio-

economic development across various sectors of the economy. There will be significant jobs created across the multi petrochemical industry value chain a Mega company Botswana Oil will be able to export some of the petroleum and valued added products from the multi petrochemical industry into the region.

The primary route for importation has been South Africa through which it imports 60% of the volume of petroleum. To ensure security of fuel supply, the oil company has developed a robust supply strategy which has unlocked alternative sources and routes of supply in Mozambique and Namibia which collectively makes 40% of the volumes imported into the country. These products which are imported and distributed through the Oil Marketing Companies include Unleaded Petrol 95 (ULP 95), Diesel 50PPM, Illuminating Paraffin, Aviation Gas and Jet A1 Fuel.



CAPTIONS

1. BOL Team assisting a client
2. Francistown Depot Manager Gosekwang Reetsang
- 3&4. Senior Manager Marketing & Communications Mpho Victoria Mokgosi engaging business leadership
5. BOL Team during the fair
6. The team and public engaging
7. BOL team catching up with daily work
8. Anderson Nlisana- Marketing specialist sharing information with a client
9. Karabo Kgaswane - Customer Service Officer engaging with students
10. Some of the BOL petroleum products



Botswana Oil Limited



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