

NEF Fuel Webinar Questions and Answers

Q1. How does one know that you will be able to reach a minimum of 300 000 litres of fuel. Is there a formula that you use to research this?

You can assess the historical monthly literages that were pumped for existing service stations. A market feasibility /traffic study will provide a monthly literage forecast for new service station sites

Q2. With regards to the trend you've noticed on loss of customer accounts after acquisition. What is it that can be done to not lose these accounts?

Build a good relationship with the existing customers and new customers before you acquire the site. Enter into a product purchase agreement with the customer that sets forth the terms of the sale and purchase of the product.

Q3. is the funding for take overs only, not new service stations

It is for new sites and for the acquisition of sites

Q4. Do they also fund Valet services provided to car dealerships.

Valet services offered by the service station will form part of the service stations' product offering and will therefore also form part of the funding.

Q5. Please give me the list of all required documents and the procedural processes to follow in order to get business funding from NEF

We will send an information checklist for service station funding and the NEF application form to all attendants

Q6. If I want to buy a fuel station from someone do I need a deposit in order to get funding

You need an own contribution towards the transaction to show commitment and "skin in the game". The NEF does not prescribe how much the own contribution should be, however a financial assessment of the cash flows of the business will





reveal how much debt the business can service. The funding shortfall can be covered by an own contribution.

Q7. How do you go about doing a location study, for a fuel station

A traffic study is usually initiated by the oil major.

Q8. Does NEF fund diesel wholesale operations?

Yes NEF does fund diesel wholesale operations provided that all the regulatory compliance requirements are met.

**Q8. Is the title deed also applicable on wholesale for diesel depot
Could the Permission to Occupy in a rural area substitute a Title deed.**

Yes the Title deed is applicable, but the Permission to Occupy is also acceptable.

Q9. Does the NEF provides financial support to fuel wholesalers? if yes, what are the key requirements?

Yes, the business should meet all the regulatory requirements including inter alia a fuel wholesale licence. Supplier agreements, off take agreements with prospective customers, business plan, financial projections, lease agreement or Environmental Impact Assessment, Zoning certificate and approved building plans if the depot will be developed on land owned by the entrepreneur.

Q10. How long does it take to get finance?

The approval process can take between 6-8 weeks if all the information have been submitted.

