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Strategic Monitoring

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« ENERGY IN AFRICA »

GEOSTRATEGIC RESEARCH AND STUDY CENTER
RESEARCH AND STRATEGIC MONITORING UNIT

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Fossil Energy (Oil , Gas)

➢ American and African Oil and Gas Players propose regulatory measures to ensure sustainability in response to COVID-19 and beyond

In response to the current global COVID-19 pandemic and the associated crash in the price of oil, the African Energy Chamber (AEC) (www.EnergyChamber.org) and the IAGC have proposed a number of mitigating measures on behalf of the oil and gas industry. These measures are intended to mitigate the expected loss of jobs and abandonment of erstwhile viable projects in the African oil and gas sector in the face of a global recession.

Whilst African oil producers might not be able to change the current market and global health dynamics individually, they have the ability as regulators to positively influence the business environment in their respective countries with common sense policies. It is this ability to mitigate the negative effects of the global crisis, that the AEC and the IAGC are calling on governments to put to use.

Source : **https://africanews.com/** - 04/05/2020
(**Lien article**)

➢ Extensions for exploration in Equatorial Guinea

Equatorial Guinea has granted oil and gas companies a two-year extension for exploration work, the Ministry of Mines and Hydrocarbons has said.

Expressing concern about the impact of lower oil prices and coronavirus, Minister of Mines and Hydrocarbons Gabriel Mbaga Obiang Lima said the country had an "obligation to make bold, decisive, and pragmatic policy decisions to get the industry moving again".

The steps were part of the government's plan to "safeguard our local oil and gas industry, its companies and its employees. The granting of these extensions has been deemed suitable to create an enabling environment for international and African companies to keep investing in Equatorial Guinea and ensure a quick recovery of our industry."

Source : **https://www.energyvoice.com/** - 04/05/2020
(**Lien article**)

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➢ IEA looks at energy demand trends for the rest of 2020

The COVID-19 pandemic represents the biggest shock to the global energy system in more than seven decades, with the drop in energy demand this year set to dwarf the impact of the 2008 financial crisis and result in a record annual decline in carbon emissions of almost 8%.
A report recently released by the International Energy Agency (IEA) provides an almost real-time view of the COVID-19 pandemic's extraordinary impact across all major fuels.
Based on an analysis of more than 100 days of real data so far this year, the IEA's *Global Energy Review* includes estimates for how energy consumption and carbon dioxide (CO2) emissions trends are likely to evolve over the rest of 2020.

Source : **https://www.esi-africa.com/** - 04/05/2020
(**Lien article**)

➢ Angola Oil & Gas 2020 Confirms New Dates

The second edition of the Angola Oil & Gas (AOG) Conference & Exhibition 2020 will officially take place on October 14-15, 2020. The new dates come after Angola's Ministry of Mineral Resources, Petroleum and Gas, together with event organizer, Africa Oil & Power (AOP), took vigilant action to keep delegates, speakers and participants safe during the COVID-19 pandemic and postponed the event.
"We have been monitoring the global COVID-19 pandemic closely and felt that it would be in everyone's best interest to push the dates of the conference to the end of the year. Despite COVID-19's impact on the global energy industry, confidence in Angola's oil and gas sector remains on an upward trajectory," says James Chester, Acting CEO of AOP.

Source : **https://www.africaoilandpower.com/** - 05/05/2020
(**Lien article**)

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➢ African Oil Producer Urges Nigeria and African Countries to Take a Position on Energy and Economic Diversification

If there is one thing that the current COVID-19 and oil prices crises have demonstrated, it is that African oil-producing nations are still not economically diverse. Despite repeated actions taken by governments over the past decade to diversify their economies, especially following the 2014-2016 African recessions, not enough has been done. Economic crises in African oil producing countries this year will be so severe they could reach double digit economic recessions.

As countries like Nigeria, Angola, Gabon, Congo or Equatorial Guinea deal with unprecedented lows in oil prices and struggle to keep their economies afloat, the current downturn could well be the historic turning point these economies need to seriously put diversification at the top of economic policies priorities.

Source : **https://www.africanews.com/** - 05/05/2020
(**Lien article**)

➢ Naturgy Acquires Joint Share of Algeria-Spain Pipeline

Spanish natural gas and electrical energy utilities company Naturgy has acquired joint control of the Medgaz natural gas pipeline, which transports gas from Algeria to Spain.

In addition to its existing 14.95% participation, Naturgy acquired a further 34% stake in the pipeline, purchasing the interest from U.A.E.-based Mubadala Development Company last week.

Naturgy's financial and strategic participation is complemented by Algerian state-owned Sonatrach, which owns 51% of the pipeline and serves as the leading supplier of gas to Spain.

"It's a very attractive operation for Naturgy because it is a strategic infrastructure asset … but also because of the financial terms reached in the agreement, which meet our criteria for generating value for the shareholder," said Naturgy's CEO Francisco Reynes.

Source : **https://www.africaoilandpower.com/** - 06/05/2020
(**Lien article**)

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➢ Zimbabwe: Zera Slashes Fuel Prices

The Zimbabwe Energy Regulatory Authority (ZERA) has slashed prices of fuel in response to the global fall in oil prices and development that is likely to ease the day to day costs for most citizens in the country.

According to the new ZERA directive, diesel will be sold at a maximum pump price of $20.84 while petrol will be sold at a maximum price of $21.

"Operators may, however, sell at prices below the cap depending on their trading advantages. Stakeholders are advised that the petroleum price releases can be verified on the official ZERA website, Facebook and Twitter handle," said the fuel regulator.

Prior to the reductions, a litre of diesel was being sold for $21.52 with a litre of petrol going for $21.77.

Globally, oil prices have gone down with the United States benchmark price for crude dropping below zero for the first time.

Fuel queues in Zimbabwe have been relatively short since the start of the lockdown as most industries have been closed and the movement of motorists has been severely restricted.

Source : **https://allafrica.com/** - 06/05/2020
(**Lien article**)

➢ Africa Oil sees Nigerian profits roll in

Africa Oil paid down $45.2 million of its debt during the first quarter, after receiving $87.5mn from its stake in three major Nigerian oilfields.

Despite this, the company took a $215.6mn non-cash impairment on exploration assets in Kenya, leading it to post a loss for the period of $137.9mn. The loss in Kenya is related to the reduced value of the development project and specifically on Block 10BA.

Africa Oil acquired a 50% stake in Prime Oil and Gas, which owns stakes in Agbami, Akpo and Egina, which produced around 530,000 barrels of oil equivalent per day in the quarter. The economic entitlement production net to Africa Oil was 43,000 boepd, of which 88% was oil. The average operating cost was $5.8 per boe.

Source : **https://www.energyvoice.com/**- 07/05/2020
(**Lien article**)

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➢ Investment Report Examines Angola Oil and Gas Projects

In line with Angola's aim to drive capital inflows into its bankable oil and gas projects, Africa Oil & Power (AOP) has launched the *Africa Energy Series Special Report: Angola 2020* as a resource for investors entering or expanding their presence in the country's energy sector.
Available for free download on AOP's website, the report provides a concise look at Angola's investment opportunities still on track for development in the face of project delays caused by COVID-19.

"While COVID-19 continues to rattle our industry and stall energy developments across the continent, Angola boldly moves forward with a number of its large-scale, capital intensive projects, as explained in the *Africa Energy Series Special Report: Angola 2020*," said AOP Acting CEO, James Chester. "While the current investment climate remains challenging for the oil and gas industry, sufficient and sustained FDI is required across the energy supply chain to not only survive the crisis in 2020, but also overcome it in 2021."

Source : **https://www.africaoilandpower.com/**- 07/05/2020
(**Lien article**)

➢ First Unitization Agreement between Eni and Springfield Exploration and Production (E&P) will usher a New Era for Ghana's Upstream Sector

Following study of technical evidence from Springfield E&P (SEP)'s West Cape Three Points 2 (WCTP2) License and Eni's Offshore Cape Three Points (OCTP) License offshore Ghana, the Government of Ghana has declared earlier this year that the Afina-1x Cenomanian reservoir and the Sankofa Cenomanian reservoir are "one and the same". This conclusion calls for a Unitization Agreement between both operators in order to develop the reservoir that straddles both of their blocks.

This Unitization Agreement of the Afina and Sankofa Fields was requested by Minister of Energy, Hon. John-Peter Amewu, in a letter sent to SEP and Eni in early April 2020. The government's direction then requested unitization talks to be completed within 120 days (four months). Shall both parties fail to comply with the government's directive to agree on a Unitization Agreement, the Minister of Energy is empowered to stipulate the terms and conditions of such an agreement per Regulation 50(6) of L.I. 2359.

Source : **https://www.africanews.com/**- 08/05/2020
(**Lien article**)

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Renewable Energy

➢ GAMBIA: IRENA encourages renewable energy take-up

The International Renewable Energy Agency (IRENA) praises the Gambian government's efforts to promote renewable energy production while encouraging the country to further adopt clean energy in its electrification projects.
The Gambia can and should electrify its population while making a successful energy transition. This was the message that officials from the International Renewable Energy Agency (IRENA) wanted to convey at a recent online press conference. Irena calls on the Gambian authorities to give absolute priority
to renewable energy in their policy for the electrification of the country.

Source : **https://www.afrik21.africa/**- 04/05/2020
(**Lien article**)

➢ AIIM exits two South African renewable energy projects

African Infrastructure Investment Managers (AIIM), a member of Old Mutual Alternative Investments, has announced the successful divestment of AIIF2's 14% stake in Cookhouse, a 139MW wind farm, and 34% stake in REISA, a 75MW solar PV facility.
The exits are concluded through sales to AIIM's IDEAS Managed Fund, one of the largest equity investors in South African renewables with more than $500m invested in the sector.

Paul Frankish, Investment Director at AIIM, said: "We are immensely proud to have played a role in these projects and believe the above-target returns achieved support our strategy of investing in first mover projects where we are able to take advantage of our experience across similar projects in the region. The exits mark a long involvement in these projects for AIIM, starting at the inception of the renewables market in South Africa."

Source : **https://www.africaglobalfunds.com/**- 05/05/2020
(**Lien article**)

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➢ Zambia aiming for energy surplus

The African Development Bank (AfDB) has noted that Zambia's Itezhi-Tezhi Hydropower Dam, has increased the country's power generation capacity by 7.5%, supplying an extra 50,000 people with electricity.
The $375 million Itezhi-Tezhi hydroelectric generating station became operational in 2016. The plant has a 120-megawatt capacity and is the fruit of the first public-private partnership project in the Zambian energy sector.
Its primary objective has been to produce enough power to end the crippling daily blackouts and meet consumer needs of the country's 17 million inhabitants.

Source : **https://esi-africa.com//** - 05/05/2020
(**Lien article**)

➢ AFRICA: AFD and ADEME support ten off-grid electrification projects

The French Development Agency (AFD) and the French Agency for Ecological Transition (ADEME) have recently selected ten off-grid electrification initiatives as part of a call for projects covering Africa. The winners will receive technical and financial support from the two French agencies.

The results of the call for projects "Innovative solutions for sustainable off-grid energy access" (SolInAE) are known. Launched in September 2019 by the French Development Agency (AFD) and the Agency for Ecological Transition, this initiative resulted in ten applications being selected. The call for projects concerned companies and non-governmental organizations (NGOs) with local partners in Africa.

Source : **https://www.afrik21.africa//** - 05/05/2020
(**Lien article**)

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➢ MIGA backs Djibouti's first wind power project

The Multilateral Investment Guarantee Agency (MIGA) has issued guarantees that will support the design, development, construction, operation, and maintenance of Djibouti's first utility-scale wind power project, which also represents the country's first independent power producer (IPP). MIGA is a member of the World Bank Group,established in 1988 to promote foreign direct investment in emerging economies.
Issued to Djibouti Wind Company Ltd (acting for Djibouti Wind LP as its general partner) to benefit Africa Finance Corporation and Construction Equity Fund, a blended finance facility managed by Climate Fund Managers, the guarantees amount to US$91.6 million and cover up to 90 percent of investments made and future earnings in the Project for up to 20 year

Source : **https://cceonlinenews.com/** - 06/05/2020
(**Lien article**)

➢ SOUTH AFRICA: Municipalities to be energy independent soon

South African municipalities will soon have the freedom to choose their own alternative energy. The draft amendment to the electricity regulations concerning new generation capacity is currently being adopted in South Africa.
A new era is on the horizon in South Africa. Before long, every municipality in the country will be able to decide which alternative energy it wants to install to develop its territory. South Africa's Minister of Mineral Resources and Energy, Gwede Mantashe, made public on May 5, 2020 the proposed amendment to the electricity regulations concerning new production capacities. It aims to clarify the regulatory regime applicable to municipalities for the acquisition or development of electricity generation capacity. Once these regulations are in place, they will allow municipalities to purchase electricity from independent power producers (IPPs). It also assumes that municipalities will be able to determine the type of electricity they wish to use.

Source : **https://www.afrik21.africa/** - 06/05/2020
(**Lien article**)

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➢ South Africa to develop plan for new 2,500 MW nuclear plant

Africa's most industrialised economy, which operates the continent's only nuclear power plant near Cape Town, said last year that it was considering adding more nuclear capacity in the long term, after abandoning in 2018 a massive nuclear expansion championed by former president Jacob Zuma. Analysts had expressed serious concern about Zuma's project for a fleet of nuclear plants totalling 9,600 MW because it would have put massive additional strain on public finances at a time of credit rating downgrades. Its current nuclear plant, Koeberg, has a capacity of around 1,900 MW and was synchronised to the grid in the 1980s.

"The development of the roadmap for the 2,500 MW Nuclear New Build Programme will be commencing soon," the energy ministry said in a presentation to a parliamentary committee on its plans for 2020-25.

Source : **https://af.reuters.com/** - 07/05/2020
(**Lien article**)

➢ African Development Bank welcomes $10 million Clean Technology Fund investment to diversify Ethiopia's energy mix

The African Development Bank has welcomed a decision by the Trust Fund Committee of the Clean Technology Fund (CTF), one of two funds within the Climate Investment Funds (CIF), to extend a $10 million concessional senior loan for development of the 50 MW Tulu Moyo Geothermal Power Plant project in Ethiopia.

The CTF approved the loan on 20 April 2020 for the project, which is seen as a critical step to the East African country's drive to harness sustainable and resilient energy resources to support its economy and livelihoods. With this investment, CTF becomes the first progressive geothermal Independent Power Producer (IPP) in Ethiopia.

Source : **https://www.ecofinagency.com/** - 08/05/2020
(**Lien article**)

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➢ ACWA Power and Silk Road Fund announce the completion of partnership over ACWA Power Renewable Energy Holding Ltd

ACWA Power, a leading developer, owner, and operator of power generation and water desalination plants recently announced the completion of the transaction to introduce Silk Road Fund as a partner and a 49% shareholder in ACWA Power Renewable Energy Holding Ltd (ACWA Power RenewCo).

ACWA Power RenewCo is ACWA Power's renewable energy platform that currently owns a number of its existing renewable energy projects. The platform capitalises on the rapidly growing potential for renewable energy in emerging markets and currently owns ACWA Power's concentrated solar power, photovoltaic solar, and wind assets across the United Arab Emirates, South Africa, Jordan, Egypt and Morocco, yielding an aggregate power capacity of 1668 MW.

Expressing his delight, Paddy Padmanathan, President and CEO of ACWA Power said: "After announcing the agreement last year, we are very proud and pleased to have completed the transaction today. Our partnership with the Silk Road Fund is testament to the robust relations between Saudi Arabia and China. Our collaboration will enhance ACWA Power's ambitious growth plans in the renewables sector in MENA, Africa, Asia and Central Asia."

Source : **https://www.cbnme.com/** - 10/05/2020 (**Lien article**)

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