



## WEST AFRICA

## Pirates cut off the gas

The *West African Gas Pipeline* that carries gas from the Niger Delta to Ghana, Togo and Benin stopped functioning completely on Aug. 27. *Africa Energy Intelligence* understands that a vessel equipped with underwater detection gear that can determine damage to the pipeline arrived in the area on Sept. 5 and will swing into action this week to establish what work is needed to repair it.

According to in-house sources at the **WAPco** firm (headed up by **Chevron**) which manages the pipeline it was damaged during a pirate attack. On the night of Aug. 27-28, pirates tried to board an oil tanker lying off Lome. The pirates were fought off by Togolese naval forces but as they fled their vessel's anchor caught in the pipeline, severely damaging it.

The damage led to a sharp drop in pressure on the line, resulting in an immediate suspension of deliveries to Benin, Togo and Ghana in the morning of Aug. 28.

The WAGP mainly supplies the Sunon Asogli power station at Takoradi (with 30 MMscfd) and Tema (15 MMscfd). The stations are now working far under capacity, resulting in power cuts by the **Volta River Authority** that supplies all of Ghana.

Although the WAGP supplies Ghana with far less than the 133 MMscfd it originally promised to provide it is helping to tide Accra over with low-cost energy until the country's own gas from the Jubilee field becomes available. That will probably be next year (see Page 1). Prior to the incident WAPco was delivering barely 60 to 80 MMscfd (AEI 678).

## BENIN

## Gasol has a powerful ally

► **The British junior is to shortly form a joint venture with a local company that has very good political contacts.**

In its quest to invest in gas infrastructure in West Africa, Britain's **Gasol** is hoping to shortly forge a key partnership with a private firm in Benin. Gasol's operations manager, **Alan Buxton**, is due to team up in the JV with **Bengaz** which already owns 2% of **WAPco**, the company that manages the *West African Gas Pipeline* (WAGP).

Gasol can hope to make much of the alliance because Bengaz won a green light from the authorities in 2011 to build a 50 MW, gas-fuelled power plant near the gas terminal supplied by WAGP. Still, work on the station won't start until an agreement on the sales price of gas is reached with the **Communaute Electrique du Benin** (CEB). Courtesy of its small stake in WAGP, Bengaz will also have access to inexpensive gas.

The joint venture can hope to not only dominate the market in Benin but also win new contracts in the sub region. To be sure, the chairman of Bengaz's board is the powerful Benin businessman **Edgar-Yves Monnou** whose address book is bursting with important names: he was Benin's foreign minister and spokesman for president **Nicéphore Soglo** in the 1990s and Benin's ambassador to France between 2003 and

2008. And he's no stranger to the energy business, either. He currently acts as one of the Norwegian turbine manufacturer **Jacobsen Elektro's** lobbyists in West Africa (AEI 665). He is planning to build the new station in Benin with Jacobsen.

In addition to Monnou, Bengaz's shareholders include solicitor **Massihou Bileoma** and the **Carl Dork** equity fund managed by **Thomas Sossa**.

On Gasol's side, the company has an impressive list of shareholders. It is majority owned by the equity fund **African Gas Development Corp** founded by Nigeria's former oil minister **Rilwanu Lukman** and Liberian businessman **Ethelbert Julius Llewellyn Cooper**.

The oil firm **Afren**, equally founded by **Lukman**, owns 14% of Gasol alongside the Geneva-based equity fund **Synergy Asset Management Limited** (4.6%). Gasol is currently chaired by **Cornelia Meyer**, a former analyst at **Union Bank of Switzerland**.

## MOZAMBIQUE

## Experts weigh gas prospects

► **An American firm has finished a report on the prospects for Mozambique's gas - and concluded that Maputo has no time to lose.**

The interim report on Mozambique's *Gas MasterPlan* financed by Norway and the **World Bank** was handed to the Mozambique government on Aug. 26 by the U.S. consulting concern **ICF International**. The report, which *Africa Energy Intelligence* has seen, says gas could earn as much as \$99 million for Maputo starting from 2018 and \$4.8 billion by 2026. IFC suggested that the revenue could be partly used to create a sovereign fund or a development bank, in which other nations could participate.

The consultants proposed a number of possible scenarios for the country's gas. One was for a liquefaction plant with 10 trains at Palma in Cabo Delgado province that could begin operating in 2018.

Another was to use the gas locally in Palma to supply a major power station and a fertilizer plant. A third option would be to transform it in GTL operations. With regional development in mind, the consultants also proposed locating some gas-related activities in the port cities of Nacala or Beira to avoid concentrating everything in Cabo Delgado province.

Although there's still a lot of uncertainty over how much additional gas might be discovered, the country's identified potential is already very significant: over 40 TCF. The consulting firm believes the basin could house around 100 TCF.

But it nonetheless predicted some risks for Mozambique's gas. These include competition from other LNG producers (Australia, Persian Gulf), the current glut in methanol production, competition from Middle East companies in the event of a urea plant supplied by local gas.

However, the consultants said prospects were bright for GTL projects thanks to high demand in Europe and the proximity of nearby markets in Africa.

And the future looks bright for gas earmarked for power plants given the chronic shortfall of electricity generation in southern Africa.