

Sasol invests in Mozambican gas and loop line infrastructure

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Sasol and its partners in the Republic of Mozambique Pipeline Investments Company (Rompco) would invest \$210m in a second loop line to increase the capacity of the pipeline carrying gas from the Temane field to customers in Mozambique and SA, they said on Monday, 30 November.



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The latest investment comes only a year after the first \$200m loop line was completed.

These investments reflect the growing demand for gas from industrial customers, and Sasol's efforts to find more gas and put the necessary infrastructure in place to meet future demand.

Rompco is a joint venture between Sasol, Companhia Mocambiçana de Gasoduto and the South African Gas Development Company (iGas), the official SA government agency for developing SA's hydrocarbon gas industry. Sasol owns 50% of the joint venture and its partners own 25% each. Sasol's share of the Loopline Two investment will be \$105m.

The existing pipeline from the central processing facility at Temane, in southern Mozambique, runs for 865km to Secunda. The first loop line brought gas to customers at the Ressano Garcia energy hub. The second loop line, which will be 128km

long, will initially serve markets in SA, but as more gas becomes available, it will also serve additional customers in SA and Mozambique.

Sasol spokesman Alex Andersen said the first loop line grew capacity to 188-million gigajoules (GJ) a year from 170million GJ a year and the second line would increase the capacity to 212-million GJ a year.

Both loop line one and two are in Mozambique. Construction of the second loop line will create 700 jobs, mainly in communities close to the pipeline.

Sasol has several exploration initiatives in Mozambique to source more gas.

A month ago, Sasol and Empresa Nacional de Hidrocarbonetos (ENH), the Mozambican state-owned oil company, were awarded a licence to explore for gas in a 3,000km² area adjacent to the Panda and Temane onshore fields. Eni, Sasol, Statoil and ENH were also awarded a licence to explore in the 5,000km² area in the offshore Angoche basin.

In February, Sasol submitted a full field development plan to the Mozambican authorities for the Pande and Temane production sharing agreement (PSA) licence area. The PSA project involves developing more wells, expanding the central processing facility and putting in a new plant to produce liquefied petroleum gas.

Sasol had invested more than R12bn since 1999 in the natural gas-conversion project taking gas from Temane to SA, where it supplied more than 540 industrial customers, CEO David Constable said in 2012.

Sasol's shares fell 0.5% to R405.44 on the JSE yesterday, staging a late recovery off a day low of R401.04. The shares are tracking global oil prices, which are being driven by speculation ahead of the oil cartel Opec meeting taking place on Friday. Traders are divided on whether Opec members will make any moves to cut production.

On Tuesday, Sasol Inzalo Public, which is the energy group's black economic empowerment (BEE) vehicle, listed on the JSE's BEE segment.

Source: Business Day

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