

Hyphen and Namibia agree next phase of \$10bn green hydrogen project

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25 May 2023

Hyphen Hydrogen Energy has agreed on a deal with the government of Namibia for the next phase of a \$10bn green hydrogen project that will export to Europe once complete, the two parties said on Wednesday, 24 May.



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Hyphen, whose shareholders include Germany-headquartered Enertrag, was announced as the preferred bidder in 2021 for the project in the Namib Desert's Tsau //Khaeb National Park.

The feasibility and implementation agreement will be officially signed on Friday, officials said, as some community activists raised concerns over a perceived lack of transparency around the huge deal that costs as much as the country's gross domestic product.

"On Friday... we kick-start a process that has the potential to transform the lives of many in our country, the region and indeed the world," Namibia's President Hage Geingob said in a statement.

The plant, to be built in phases, will eventually produce 2 million tonnes of green ammonia a year for regional and global markets when it reaches full-scale output, which is anticipated before 2030.

Namibia, one of the world's sunniest and most sparsely populated countries, wants to harness its potential for solar and wind energy to produce green hydrogen and position itself as a renewable energy hub in Africa.

But it remains to be seen whether the water-scarce country, relatively far away from key export markets, will be able to deliver a cost-competitive product in an emerging global hydrogen sector, said analysts.



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'Lack of transparency'

"Another big issue is a lack of transparency on the deal and how Hyphen was selected," said Frederico Links, coordinator of a project that tracks public procurement at Namibia's Institute for Public Policy Research.

Over the past year, Hyphen has signed memoranda of understanding with a number of potential European customers, to which it aims to supply about 750,000 tonnes of green ammonia annually, it said.

Earlier this month, it also signed a letter of intent with Koole Terminals covering the proposed import of green ammonia into Europe from the Port of Rotterdam in the Netherlands.

"Namibia has the potential to become one of the main renewable energy hubs on the African continent and worldwide," president of the European Commission Ursula von der Leyen said in the same statement.

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