

Central Energy Fund, Sasol sign gas MoU

The Central Energy Fund (CEF) has signed a memorandum of understanding (MoU) with chemicals and energy giant, Sasol. The MoU is aimed at securing future gas supply options and infrastructure critical to the gas market.



Source: Christian Duschinger © [123RF.com](https://www.123RF.com)

The agreement comes at least two months after the CEF announced that its subsidiary, iGas, had exercised pre-emptive rights to acquire 30% of Sasol's shares in the Republic of Mozambique Pipeline Company (ROMPCO) gas pipeline joint venture.

CEF group chief executive Dr Ishmael Poolo said the agreement was signed with the prospect of protecting future gas supply in the country and creating jobs.

Just energy transition

“At the core of achieving our strategic mandate of ensuring security of supply is domestic job creation and an approach to the just energy transition that fosters increasing domestic value addition.

“In this regard, gas remains a critical component in our country’s just energy transition journey, and our continued collaboration with Sasol in unlocking growth in the gas space remains critical for us in contributing to the achievement of an optimal energy mix,” Poolo said.

Sasol executive vice president for energy business Priscillah Mabelane said collaborations are necessary to sustain the energy sector.

“Sasol has had a long-standing relationship with CEF through our well-established partnership in the Rompco pipeline and looks forward to commencing this next stage of growth in gas together.



SA, Mozambique state energy firms to increase shareholding in gas pipeline

28 Jun 2021



Introducing additional supply

“Gas is instrumental in enabling a just energy transition in South Africa and requires immediate attention to introduce additional supply to South Africa. Currently, the country’s gas supply comes from the Pande-Temane gas fields in Mozambique, which will need to be supplemented in the long-term, as these reserves begin to mature,” said Mabelane.

A statement released by the gas company highlighted the importance of gas for South Africa.

“Gas is a significant contributor to South Africa’s energy mix and its importance is expected to grow. Preliminary global benchmark case studies indicate that countries experiencing growth in demand for gas have opted for increasing the number of import locations to serve regional markets via pipeline.

“Both companies will explore developing multiple low-cost gas import locations around the country,” the statement said.

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