

Kalahari Energy Botswana awarded preferred bidder status for the construction of a 97MW Coal Bed Methane (CBM) fuelled IPP-owned power station.

Kalahari Energy Botswana (www.keb.co.bw), through its wholly-owned subsidiary Sekaname (Pty) Ltd, has been notified by the Ministry of Mineral Resources, Green Technology and Energy Security that it has been awarded Preferred Bidder status for the construction of a CBM-fuelled, IPP-owned power plant in Botswana. This notification follows from the Group's submission in October 2018 to tender "for the development of a maximum of 100 MW coal-bed methane fuelled pilot power plants in Botswana as an Independent Power Producer". Sekaname submitted a bid for 97MW and its rival in the closed tender process - Tlou Energy – submitted a bid for 2MW scalable to 10MW over time. Tlou Energy has also been awarded Preferred Bidder status.

The award to Kalahari Energy leads to negotiations with the procuring authority and provides for the design, procurement and construction of the first CBM-fuelled power plant in Botswana, creating employment opportunity for between 1,200 and 1,500 workers during the construction phase.

The project will have a significant impact on the economy of Botswana as it will provide a springboard from which to commercialise the significant CBM resources in Botswana whilst reducing the country's carbon footprint.

Key terms of the bid are:

- The Kalahari Energy power-generation facility will operate as an Independent Power Producer
- The Kalahari Energy power-generation facility will enter into a 30-year Power Purchase Agreement with the Botswana Power Corporation; and
- The Botswana Government will provide a credit-enhancement mechanism to make the project bankable.

The tender submission for the project included a CBM-fired power plant with a nameplate capacity of 110 MW (gas engines), a supporting gas-field extraction and processing facility to supply gas to the power plant and a 220 kV transmission line to evacuate the power to the Serule substation.

In 2017 Kalahari Energy, as the project owner, appointed Prana Energy (www.pranaenergy.co.za) as Project Developer to facilitate its response to the closed tender RFP and delivery of the subsequent project award through to financial close. Prana Energy leads an experienced international project development team with a proven track record of delivering successful natural gas and CBM projects, comprising (amongst others):

- Owners Team Consultation (www.ownerteamconsult.com) - conceptual design engineering and project management;
- Advanced Resources International Inc (www.ari-res.com) - reservoir modelling and well-field design;
- Eaglestone Capital (www.eaglestone.eu) - financial modelling, capital structuring and fund-raising; and
- Ecosurv (www.ecosurv.com) - leading the EISA process on behalf of Kalahari Energy.

For more information, visit www.keb.co.bw. or contact Chris Scales +267 318 0272 or Johan Posthumus +27 82 466 2452.

