PANDE /TEMANE NATURAL GAS PROJECT

THE WORLD BANK

Natural gas reserves could bring R12bn investment to southern Africa

By Greg Osborn
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The Engineering News

THE exploitation of natural gas from the Bredasdorp, Pande and Kudu gasfields in southern Africa could amount to a R12-billion investment for the region, reports Hugh Brown & Associates partner **Hugh Brown.**

"However a phased introduction of these projects over an estimated 15 year period would ensure maximum benefits throughout the country," he tells *The Engineering News*.

The engineering consultancy conducted feasibility reports on all three of the projects and were recently appointed advisor to the ANC-led Mineral and Energy Policy Committee (MEPC).

The results from the company's studies indicate gas would make an important contribution to the increasing competitiveness of locally beneficiated minerals, iron reduction, chemicals, glass, paper and ...ers.

Hugh Brown

disadvantaged people.

"Presently 40% of electricity in South Africa is used for thermal purposes. Gas could absorb around 50% of this market," he adds.

The impetus for gas development has also been bolstered by the possibility of several new industrial projects planned for South Africa.

The proposed second phase of the R4-billion Saldanha Bay steel mill and the Industrial Development Corporaiton's (IDC) R4,2-billion phlogopite project at Phalaborwa could be candidates for Bredasdorp and Pande gas respectively.

In addition, the R3,5-billion Columbus Stainless expansion is presently constructing a gas pipeline to Sasol's Secunda operation.

The World Bank nominated the consultants to assist ENH of Mozambique in confirming the potential of the South African market for Pande gas.

"With 40% of South Africa's population located in the Natal and PWV a large percentage of these homes and

industries could be utilising Pande gas by 1998," says Brown.

The exact route of the proposed R1,9-billion pipeline from Pande to South Africa has yet to be decided but one possible scenario involves running the pipeline from Mozambique into Natal.

An estimated R600-million would be spent on the development of the Pande field.

Because Namibia's Kudu field is located offshore, in deep water with hydrocarbon enclosures at a depth of between 2 000m and 3 000m its development is more costly and presents a greater challenge than Pande.

In addition the Western Cape market is not sufficient to justify the development of Kudu alone, but a pipeline from Namibia to Sasolburg to supply the PWV and Natal region would overcome this problem, says Brown.

Piping natural gas from Bredasdorp to the Cape is a viable proposition both environmentally and techno-economically, he says.

The IDC, Iscor, Sasol, AECI and Eskom are all interested in this possibility as the cost of transporting coal to the Cape outweighs the cost of gas.

"There is sufficient demand for gas in the Western Cape and particularly from Saldanha Bay and the Vredendal area where industrial projects are under review," Brown says.

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