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Energy

Halliburton to invest N$183m in Walvis Bay plant

Halliburton Industries Limited (Halliburton) is set to invest N$183 million in the construction and operation of a liquid mud treatment and completion fluid plant (LMTP) at Berth 8 in the Port of Walvis Bay, Namibia.

The plant is expected to create up to 22 employment opportunities during peak operational periods.

The multinational corporation specialising in oil and gas exploration, drilling, and production services' proposed project signifies its commitment to supporting the energy industry's endeavours, particularly in offshore oil and gas exploration in southern Namibia.

The LMTP will serve as a pivotal facility, catering to the drilling and completion fluid needs of operators engaged in offshore exploration activities, while the strategic location at Berth 8 in the Port of Walvis Bay ensures convenient access to the region's

MINING & ENERGY

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offshore oil and gas fields.

Documents seen by Namibia Mining & Energy reveal that the LMTP will include a warehouse for storage and processing, a liquid bulk area for mixing and storage of drilling fluids, a dry bulk area for handling bulk materials essential to drilling activities, and a laboratory unit for quality control and engineering support.

The project's implementation will unfold in three phases which include a pre-construction phase involving site selection and permitting, a construction phase spanning approximately six months, and an operational phase expected to last five years.

This comes as oil exploration company Rhino Resources Ltd awarded a Namibia deepwater integrated multi-well construction contract to Halliburton.

Under the agreement, Halliburton will provide complete solutions to construct exploration and appraisal wells, along with testing services.

The plant is expected to create up to 22 employment opportunities during peak operational periods.

Halliburton will also extend its country operation facilities to support all product service lines from Namibia to enhance collaboration and maximise asset value for Rhino Resources and Namibian customers.

Liquid mud plants and dry bulk plants are facilities commonly found in the oil and gas industry.

Mining

Osino deal secures court and second Chinese regulatory approval

Osino Resources Corp has secured final approval from the Supreme Court of British Columbia for its plan of arrangement with Yintai Gold Co. Ltd.

Under the approved arrangement, Yintai will acquire all outstanding common shares of Osino for C$1.90 per share.

Concurrently, Yintai has obtained approval from the National Development and Reform Commission of China (NDRC), marking progress toward closing the deal by the end of the first half of 2024.

This comes as last month the transaction, valued at N$5.3 billion in cash, garnered unanimous support from Osino shareholders, reflecting confidence in the deal's potential.

Meanwhile, pending regulatory approvals remain from the Namibian Competition Commission and the State Administration of Foreign Exchange of China.

"This means that two of the necessary three Chinese regulatory approvals have now been fulfilled and the arrangement therefore remains on track to close on or about the end of H1 2024, subject to approvals by regulatory authorities, namely the Namibian Competition Commission and the State Administration of Foreign Exchange of the People's Republic of China," said Osino President and CEO Heye Daun.

The approval further complements Yintai's N$5.3 billion cash acquisition of Osino. The gold exploration company said 99.9% of its shareholders voted in favour of the deal at the company's special meeting held on Monday.

Yintai, which trades on the Shenzhen Stock Exchange, has a market cap of N$108 billion (US$5.6 billion).

Daun, outlined the next steps, focusing on obtaining regulatory approvals from key authorities, including the Namibian Competition Commission and Chinese regulatory bodies.

"Once these approvals are secured, the company will proceed to finalise the arrangement, reflecting Osino's commitment to navigating the necessary processes for the successful completion of the deal with Yintai Gold Co. Ltd," he said.

Meanwhile, as part of the deal, Yintai Gold offered an immediate cash infusion for Osino of N$193 million (US$10 million) for operations and working capital needs and the reimbursement in full of the termination fee paid to Dundee Precious Metals Inc (DPM).

The development comes on the back of DPM's December definitive agreement to acquire Osino Resources for N$4 billion.

Energy

Empowering Namibia: The promise of local content in the emerging oil and gas sector

By Johannes Kanuku

As Namibia embarks on its journey into the realm of oil and gas exploration, the concept of a local content policy emerges as a crucial component of its developmental roadmap. But what exactly does "local content policy" mean? Simply put, it's a set of rules and guidelines that ensure Namibians benefit from the country's natural resources. This policy aims to create opportunities for local businesses, workers, and communities to participate in and benefit from the oil and gas industry.

Drafting Namibia's Local Content Policy: A Path to Inclusive Development

As Namibia sets out to draft its local content policy, it's crucial that the resulting framework speaks directly to the needs and aspirations of its people.

This means crafting a policy that is not only tailored to Namibia's unique context but also flexible and adaptable to changing circumstances.

The policy should be designed to have ripple effects, positively impacting other sectors of the economy and promoting overall national development.

Empowering Ordinary Namibians: The Benefits of Local Content

For ordinary Namibians, the implementation of the local content policy holds the promise of real and tangible benefits. It means more job opportunities, skills development, and economic

empowerment within local communities. Small businesses will have the chance to grow and thrive, while workers will gain access to training and employment opportunities in various aspects of the oil and gas industry.

Additionally, the policy aims to ensure that the wealth generated from resource extraction is reinvested in social infrastructure, improving the lives of all Namibians.

Fit-for-Purpose Local Content: Learning from Global Best Practices

Learning from the experiences of other countries with successful local content policies, such as Colombia, Nigeria, Guyana, and Brazil, Namibia aims to develop a policy that is fit for its unique context.

This means striking a balance between promoting local participation and fostering collaboration with international partners. By drawing on best practices and tailoring solutions to its specific needs, Namibia can maximize the benefits of its natural resources for the prosperity of its people.

Towards a Sustainable Future: The Role of Collaboration

Collaboration will be key to Namibia's success in realizing the full potential of its energy sector. By working together with international partners, leveraging technology and expertise, and promoting knowledge transfer, Namibia can develop its energy resources sustainably.

Equally important is collaboration among local stakeholders, including government, industry, academia, and civil society, to ensure that the benefits of resource extraction are equitably distributed and that the local content policy remains responsive to the evolving needs of the nation.

In conclusion, the impending implementation of Namibia's local content policy holds the promise of a brighter and more prosperous future for all Namibians.

By prioritizing local participation, fostering collaboration, and learning from global best practices, Namibia can harness the potential of its energy sector to drive inclusive growth, community development, and sustainable prosperity.

Johannes Kanuku, a beneficiary of the Future Energy Leaders Initiative, is employed by a local bank in the Projects Office. He is presently pursuing an LLM in International Energy Law and Policy at the University of Dundee. For further inquiries, contact him at kanukufudheni@gmail.com.

Energy

Namibia, South Africa to explore Africa's first green hydrogen pipeline

Namibia and South Africa have taken a significant step towards becoming regional leaders in clean energy by exploring the construction of Africa's first-ever green hydrogen pipeline.

The announcement was made by President Nangolo Mumba at the World Hydrogen Forum in the Netherlands., where Namibia's Green Hydrogen Program planned to sign a Memorandum of Understanding with key stakeholders.The MoU signifies a collaborative effort between Namibia's Green Hydrogen Program, the Western Cape Development Agency (Wesgro), and the Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA) from South Africa. Dutch hydrogen infrastructure giant Gasunie is also involved in the feasibility study.

"This partnership aims to study the feasibility of building Africa's first cross-country green hydrogen pipeline, connecting Namibia and South Africa and facilitating significant trade of a new product between our two countries," he said.

The MoU follows South Africa's President Cyril Ramaphosa's proposal for a possible hydrogen partnership with Namibia in October 2020. Namibia planned to become a major exporter of green hydrogen through the implementation of the Boegoebaai hydrogen power project.

Last year, South Africa unveiled a N$300-billion (US$20 billion) investment pipeline under a Green Hydrogen National Programme, designated as a Strategic

Integrated Project (SIP) for accelerated development under the country's Infrastructure Development Act.

South Africa reportedly has the potential to produce up to 13 million tonnes of green hydrogen and derivatives a year by 2050. However, achieving this would require between 140GW and 300GW of renewable energy, representing a massive scale-up in a context where South Africa had procured only about 7GW of wind and solar since 2011.

One of the envisioned projects is the development of a 2,500-km cross-border pipeline from Luderitz to Saldanha, which the Namibian Green Hydrogen Commissioner, James Mnyupe, estimates will cost N$352.6 billion (€20 billion).

Mbumba further explained that Namibia currently hosts nine hydrogen projects across two developing hydrogen valleys, with the potential for a third anchored by its iron ore. He also revealed the country's plans to become a logistics hub for the Southern African region through the development of an ammonia bunkering hub and a green hydrogen-powered train.

These initiatives aim to decarbonize shipping and long-haul logistics routes, ensuring goods transported via Namibia's ports minimize both scope 2 and scope 3 emissions.

Mining

Mining products spur NAMPORT's cargo volumes

The Namibian Ports Authority (NAMPORT) handled a record 8 million tonnes of cargo in the fiscal year ending March 31, 2024, representing a 4% increase compared to the previous year's 7.7 million tonnes.

The milestone was driven by an increase in mining product shipments, underscoring NAMPORT's pivotal role in supporting Namibia's mining industry.

Elias Mwenyo, NAMPORT's Executive for Commercial Services, highlighted major exports contributing to this achievement, including salt, copper concentrate, bagged salt, frozen fish, manganese ore, and zinc/lead concentrate.

"Specifically, bulk salt saw a growth of 10%, copper concentrate increased by 12%,

The success of NAMPORT's operations can be attributed to building and maintaining solid relationships with key stakeholders such as the Walvis Bay Corridor Group

bagged salt witnessed a 1% rise, frozen fish surged by 29%, manganese ore increased to 15.7%, zinc/lead concentrates grew by 2.9%, and marble increased by 41%," he said.

Meanwhile, during the 2023-2024 financial year, there were significant increases in the importation of various commodities. Petroleum imports surged by 26%, representing substantial growth during the period under review.

Other imported commodities also experienced noteworthy growth, including copper concentrate, ammonium nitrate, wheat, ship spares, and steel. Additionally, the authority recorded a commendable 7.9% increase in the importation of goods compared to the previous financial year.

During the financial period, NAMPORT noted that the number of vessels calling at Namibian ports surged by 29% year-on-year, escalating from 1,636 to 2,115 calls.

"This increase was primarily driven by heightened activity across various vessel categories, including foreign tugs, dry bulk vessels, containerized vessels, foreign fishing vessels, petroleum vessels, Namibian fishing vessels, research vessels, and general vessels," Mwenyo said.

The financial year under review also saw an increased occupancy rate of Syncrolift facilities. Furthermore, NAMPORT reported that the repair jetties' occupancy rose from 64% to 96%, while bay occupancy lagged at 47% compared to 52% in the previous financial year.

"The success of NAMPORT's operations can be attributed to building and maintaining solid relationships with key stakeholders such as the Walvis Bay Corridor Group, shipping lines, cargo owners, government agencies, and the larger port Community," added Mwenyo.

Market Sounding for Southern Corridor Green Valorisation and Central Valley Common User Infrastructure Development

Would you like to participate? Simply scan the QR code or visit www.gh2namibia.com to complete the form, and you'll receive comprehensive documents outlining our perspectives on the opportunity.

Scan to register

Overview.

The Namibian Government, through the Ministry of Mines and Energy, and in collaboration with the Namibia Green Hydrogen Programme (NGHP) is embarking on an exciting phase of development that could unlock numerous opportunities for green industrialisation. As part of this endeavour, interested developers are invited to participate in a market sounding exercise, which will inform a launch for requests for proposals. The primary objective of this market sounding is twofold: to facilitate the development of crucial green hydrogen projects and infrastructure necessary for realising the goals of green industrialisation, and to gather preliminary perspectives, comments, and feedback on the proposed approach to advance the green industrialisation agenda.

Southern Corridor Green Valorisation

This initiative focuses on the development of green energy valorisation projects within the Southern Corridor, as part of the Southern Corridor Development Initiative (SCDI). This initiative, integrated within the Economic Advancement Pillar of the Harambee Prosperity Plan II, aims to harness the potential of green hydrogen production and industrialisation for the benefit of Namibia. The SCDI comprises a strategic portfolio of projects and infrastructure in the Southern Region, designed to maximise the opportunities presented by green hydrogen. A key area of focus is in developing an industrial complex centred about the port of Lüderitz to connect Namibia's Green manufacturing with SADC and global markets. By fostering collaboration and innovation, the initiative seeks to drive economic growth and sustainable development in the region.

Central Valley Common User Infrastructure (CUI) Development

This initiative seeks to explore the feasibility of developing Common User Infrastructure (CUI) in the Central Valley. The Central Valley has emerged as a key focal point for infrastructure investment, particularly in the establishment of a synthetic fuel hub. With multiple pilot projects already underway and private developers initiating ventures related to green hydrogen, the Central Valley is poised to become a thriving hub for green industrialisation. The primary focus of this initiative lies in developing various projects within high-capacity factor wind resource zones, including development of CUI for connecting existing and new projects, generation assets for renewable energy production, synthetic fuels production facilities (e.g., e-kerosene, methanol) and manufacturing facilities for essential components such as electrolysers, solar panels, wind turbines, and flat glass.

Virtual Sessions will be held on the dates and times noted below. Links will be shared with all registered participants.

Southern Corridor Green Valorisation Market Sounding Virtual Session.
Date: 30th May 2024
Time: 10:00 - 12:00 CAT
Platform: Online

Central Valley CUI Development Market Sounding Virtual Session.
Date: 29th May 2024
Time: 09:00 - 12:00 CAT
Platform: Online

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Energy

Collaboration and PPPs key to unlocking Africa's green hydrogen potential: Alweendo

Mines and Energy Minister Tom Alweendo has underscored the critical role of collaboration and public-private partnerships (PPPs) in unlocking Africa's vast green hydrogen potential.

Speaking at the Africa Hydrogen Forum, Alweendo acknowledged the progress individual African nations have made in developing their green hydrogen strategies. However, he stressed the need for a united continental approach to infrastructure development.

"Public-driven PPPs and the strategic formation of consortiums are likely to emerge as the preferred approach for developing the necessary infrastructure," stated Alweendo. This model would leverage both public and private sector expertise to secure concessionary multilateral funding for critical green hydrogen assets.

Alweendo emphasized the need for a regional infrastructure network encompassing railways, power lines, and strategic port facilities. He pointed to existing successful cross-border collaborations like the Trans-Caprivi and Trans-Kalahari railway lines as examples to emulate.

"A modern and curated regional infrastructure network is crucial to unlock economies of scale and establish Africa's global competitiveness in the green hydrogen space," he explained.

By working together, African nations can create a "new global gateway" for trade and low-carbon industrial opportunities. This collaborative approach positions Africa at the centre of the green energy transition, attracting significant foreign direct investment.

Alweendo cited Namibia's Green Industrialisation Blueprint as a case study. He projected that successful implementation could attract nine times the current level of foreign direct investment by 2040, creating over 250,000 new jobs and significantly reducing carbon emissions.

"Agenda 2063 promises to bring unity, economic independence, and collective prosperity to the fore as we chart a path to transform Africa into a global powerhouse. It will also bring intercontinental value chain linkages that support industrialisation in Namibia and beyond," he said.

By embracing collaboration, PPPs, and a regional infrastructure vision, Africa can unlock its green hydrogen potential and emerge as a global leader in clean energy solutions.

Mining

Namibia bets on Green Ammonia revolution to fertilize Africa's future

Namibia is set to become a game-changer for African agriculture, leveraging green ammonia production to combat soil infertility and unlock food security for the continent, a senior government official has said.

Agriculture, Water, and Land Reform Deputy Minister Anna Shiweda said the country is seeking investors on green ammonia production, expected to begin next year from green hydrogen projects around the country, to produce fertilizer.

"It is important to inform this session that the Green Hydrogen Project in Namibia is progressing well, and we foresee the first ammonia production in the country by next year," Shiweda told delegates attending the Africa Fertilizer and Soil Health Summit in Kenya.

"Since ammonia is one of the ingredients for the production of fertilizer, Namibia looks forward to investment partnerships to develop this project for the country in particular and the continent in general."

She noted that Namibia is among those countries that have not reached the 50kg/ha fertilizer consumption level as stipulated in the Abuja Declaration.

"Soils in Namibia are generally sandy and poor in organic matter content. Therefore, attending the Africa Fertilizer and Soil Health Summit is an eye-opener for us to realize and appreciate where the continent stands in terms of fertilizer consumption," she added.

Shiweda revealed that Sub-Saharan Africa has an average fertilizer application rate of 22 kilograms per hectare, compared to a world average of 146 kilograms per hectare. This consumption level does not compare well with top consumers like China and Chile, which are closer to 400

kilograms per hectare.

"We are also informed that the continent produces approximately 30 million metric tonnes of fertilizer each year. However, about 90% of fertilizer consumed in Sub-Saharan Africa is imported, mostly from outside the continent," she said.

"This reflects inefficiencies in shipping and port handling costs, distribution chains, information availability, and other trade frictions. Therefore, there is a need for concerted efforts by African nations to fix the anomalies in the trading system to ensure that sufficient fertilizers are available and accessible to farmers."

Reflecting on Namibia, Shiweda said 70% of local farmers depend on rain-fed agriculture, and the country has experienced severe and recurrent droughts for the past seven to nine years.

"The past two rainfall years, in particular, have been a disaster for Namibian farmers. For this reason, the Government of Namibia has mobilized funds to feed the population through the Drought Relief Programme, which is implemented by the Office of the Prime Minister," she said.

As a mitigation measure, the government has allocated N$825 million for drought relief programmes for the 2024 financial year.

"The Covid-19 pandemic has taught us a lesson that justifies the revival of the Africa Centre for Fertilizer Development. Therefore, Namibia supports the resolution on the resuscitation and capacitation of the Harare Africa Centre for Fertilizer Development. Given the above situation, Namibia supports the Draft Nairobi Declaration on Africa Fertilizer and Soil Health and undertakes to support the adoption and implementation of this Declaration," she further remarked.

The high panel deliberations were held under the theme: "Sowing Success: The Role of Soil Health Partnerships in Boosting Food Security."

Shiweda stated that Namibia recognizes the guidelines on agrochemicals and fertilizer developed by the Southern African Development Community (SADC) for the region. These guidelines, she said, are critical because agrochemicals and fertilizers are the most used inputs in the agricultural sector, particularly for pest control, disease management, and productivity enhancement.

Highlighting the 2006 Abuja Declaration on Fertilizer for the Africa Green Revolution, which aims to reverse the worrying trend of poor productivity of African soils, Shiweda said the government passed a Cabinet Decision to subsidize fertilizers to stimulate and increase their use per hectare. "In addition, Namibia is also in the process of promoting both chemical and organic fertilizer production in the country through Public-Private Partnerships," she said.

She warned that improper management of fertilizer application and disposal could result in serious environmental and public health repercussions. "Therefore, while promoting the utilization of fertilizers on our continent, it is important for us to be guided by existing guidelines to prevent and implement good agricultural practices," she cautioned.


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