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China's Dongfang International secures NamPower's N\$2.3bn Biomass Power Project contract

Namibia Power Corporation (NamPower) has made significant strides in advancing its Biomass Power Project, awarding a N\$2.3 billion Engineering, Procurement, and Construction (EPC) contract to Dongfang International Electrical Corporation, a Chinese firm.

The Biomass Power Project, aimed at bolstering Namibia's renewable energy capacity, will feature two 20 MW grate-fired boilers, with the objective of generating 210-300 GWh of energy annually. This initiative,

which is expected to take 30 months, is poised to address the nation's energy needs sustainably, marking a crucial milestone in Namibia's transition towards cleaner energy sources.

NamPower Managing Director, Kahenge Haulofu, said the project has garnered substantial financial backing from international and domestic partners.

"The French Development Agency has facilitated a loan of up to €100 million for the construction and bringing into operation

of the power station. The Mitigation Action Facility is providing a grant of €25 million towards capital costs and capacity building of the local biomass value chain," he added

Furthermore, the French Fund for Global Environment has allocated €3 million towards environmental research and extending project benefits to vulnerable communities, demonstrating a commitment to sustainability and social responsibility.

Haulofu emphasized the government's support, with the Ministry of Finance and Public Enterprises contributing N\$400 million towards the project. This collaborative effort underscores the importance of public-private partnerships in driving sustainable development initiatives.

The Otjikoto Biomass Power Project is not only a strategic energy venture but also a catalyst for economic growth and job creation. With a total project budget of N\$2.64 billion approved by the NamPower Board, significant macroeconomic and microeconomic benefits are anticipated.

According to projections by NamPower, the project is expected to yield a net present value of N\$16.1 billion, with tangible benefits accruing as the project progresses. Additionally, the initiative is forecasted to generate over 2500 jobs, both directly and indirectly, providing employment opportunities

across various sectors of the economy.

Project Manager Tangeni Tshivute highlighted the significant impact on youth unemployment, with the project set to create approximately 1000 direct jobs in harvesting and induce a further 1500 through economic spin-offs. The construction phase alone is expected to generate around 300 jobs, with the potential for additional employment opportunities in ancillary industries.

The Biomass Power Project aligns with Namibia's National Strategy on the Sustainable Management of Bush Resources, aiming to combat bush encroachment and promote savannah restoration through responsible bush thinning practices.

By sourcing biomass within a 100 km radius and adhering to Forest Stewardship Council (FSC) principles, the project ensures environmental sustainability while maximizing resource efficiency.

As NamPower forges ahead with the Biomass Power Project, Namibia stands poised to harness its renewable energy potential, bolstering economic resilience and environmental sustainability. With strong government support, international collaboration, and a commitment to inclusive growth, this initiative represents a paradigm shift towards a greener, more prosperous future for the nation.



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N\$250m bulk liquid fuel storage and handling facility planned



Erongo Petroleum CC (EPC) plans to develop a bulk liquid fuel storage facility with a design capacity to store and handle 24 million litres of fuel in Namibia's bustling industrial town of Walvis Bay.

An investment of around N\$250 million is projected for the development of the facility, with no plans for decommissioning in the near to medium future.

The Ministry of Environment, Tourism and Forestry recently approved the application for the project's Environmental Clearance Certificate (ECC) to permit the construction and operation of the bulk liquid fuel storage and handling facility.

According to the scoping assessment to support the application the facility is anticipated to remain operational for over

30 years.

EPC had appointed Ekwo Consulting (Ekwo) to attend to its authorisation process for the ECC.

"The proposed facility has a designed capacity of 24,000 m³ of automobile diesel oil (ADO) only, stored in six aboveground storage tanks. Erf 5022 measures about 30 250 m² and is fully developed, accommodating a fishing factory which has been in operation for 50 years," said the report.

The facility is set to function as a one-stop fuel service station for fishing vessels operating from the Walvis Bay harbour.

"Instead of road tankers making multiple trips into fishing factories delivering fuel required by fishing vessels, fishing vessels

will simply dock at a 'fuel service station' operated from a jetty terminal in the same way that cars in a town pull up at a filling station," the report noted.

At the proposed one-stop fuel service station, fishing vessels will be refueled and

replenished with potable water and fresh supply for the crew.

This comes as there are over 200 commercial fishing vessels catching fish in Namibia waters that dock at various jetty terminals in the harbour.

Mining

Alweendo challenges conventional focus on resource ownership

Namibia's Minister of Mines and Energy Tom Alweendo says value addition for the country's resources is more critical than simply owning them.

Alweendo challenged the conventional focus on ownership and profit-sharing in mineral resource extraction, advocating for a broader perspective on maximising national benefits.

"I do agree there's a time when we need to have the shareholding so that we can also benefit not only in other ways, but we can also manage to benefit from the equity shareholding and via dividends when it's declared. But I think if we focus on that. We're going to miss the point," he told an Economic Association of Namibia Public Discussion.

He further questioned the effectiveness of equity shareholding as the sole means of benefiting from resources, suggesting a focus more on how much of the mineral's value remains in the country.

"Maybe we need to reverse the question to say whatever minerals that we have got, what is the value of that when it is taken out? How much of that remains in the country? The value of that mineral, and how much remains in the country? And how much should it belong to the investor?" he quizzed.



Namibia's Minister of Mines and Energy
Tom Alweendo

Meanwhile, the Minister cautioned against overly prioritising investor interests, highlighting the risk of exploitation and unequal returns.

He underscored the importance of investment policies in Africa, stressing the need for policies that benefit both investors and host countries.

The Minister noted that investors come with the perception of Africa as a high-risk investment destination and the implications this has on negotiating investment terms.

"And sometimes, for example, the investors who normally come from the global north, they always come with an idea that investing in Africa is high risk. It doesn't matter where it is. Because in Africa it's high risk and therefore what I'm going to ask and therefore the return of my investment needs to be much higher than anywhere else," he said.

In terms of the importance of balanced regulation to create a favourable investment environment. He questions whom such regulations should favour and advocates for policies that benefit both investors and host

countries. He said the challenge lies in striking a balance between creating an attractive environment for investors and ensuring that investments contribute to the host country's development.

This comes after Namibia's global mining ranking dropped in the 2023 Fraser Institute Annual Survey of Mining Companies, with the Chamber of Mines urging urgent policy reforms.

The country's ranking on the Investment Attractiveness Index (IAI) fell by 3 points, prompting the Chamber to stress the critical need for improved mining policies and regulatory frameworks to enhance investor confidence and competitiveness globally.

"While Namibia remains one of Africa's more favourable destinations, ranking 4th, it's troubling to see our score deteriorate by three points on the absolute scale and in our global rankings. This underscores the necessity for Namibia to improve its mining policies and regulatory landscape," stated Zebra Kasete, President of the Chamber of Mines.



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



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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 electrolyzers, 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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NSI gears up for Namibia's oil & gas and green hydrogen boom

The Namibian Standards Institution (NSI) is spearheading the development of industry-specific standards for the burgeoning oil, gas, and green hydrogen sectors.

This initiative aims to ensure safety, quality, and sustainability, aligning these standards with the industry's evolving needs, positioning Namibia as a key player in the global energy landscape.

NSI Chief Executive Officer, Eino Mvula, emphasized the importance of adapting standards to support Namibia's economic diversification.

"As Namibia progresses towards economic diversification, our standards must evolve to support emerging industries such as oil and gas and green hydrogen. By establishing comprehensive standards, we can foster growth, innovation, and international competitiveness in these sectors," he said.

In the oil and gas sector, the NSI is focusing on maintaining high fuel quality and safety standards.

"Our collaboration with the Ministry of Mines and Energy is instrumental in establishing a petrochemical testing laboratory. This facility will play a crucial role in verifying fuel quality, thereby safeguarding consumers and enhancing industry reliability," Mvula explained.

The NSI is also exploring standards development for the green hydrogen sector, a promising renewable energy frontier with global significance. "We recognise the potential of green hydrogen to drive



NSI Chief Executive Officer Eino Mvula sustainable development. To support this, we are working on standards for green hydrogen production, certification, and measurement services," said Mvula.

Green hydrogen is increasingly seen as a vital component in the global transition to renewable energy, with the potential to significantly reduce carbon emissions and reliance on fossil fuels. As countries worldwide invest in green hydrogen technologies, Namibia's strategic initiatives could position it as a leader in this transformative sector.

Partnerships with organizations like GIZ and support from the Ministry of Economic

Affairs and Climate Action of the Federal Republic of Germany are key to this endeavour.

"These partnerships enable knowledge exchange and capacity building. Together, we aim to position Namibia as a leader in green hydrogen, adhering to global best practices," Mvula noted.

This initiative is part of NSI's 2024-2028 Industry Standards and Business Plan (ISBP), launched recently. Additionally, the NSI announced the commencement of the Metrology Act of 2022, crucial for enhancing market access and ensuring Namibian products reach international markets.

"One of the pivotal initiatives we're heavily invested in is the comprehensive implementation of the Metrology Act. This

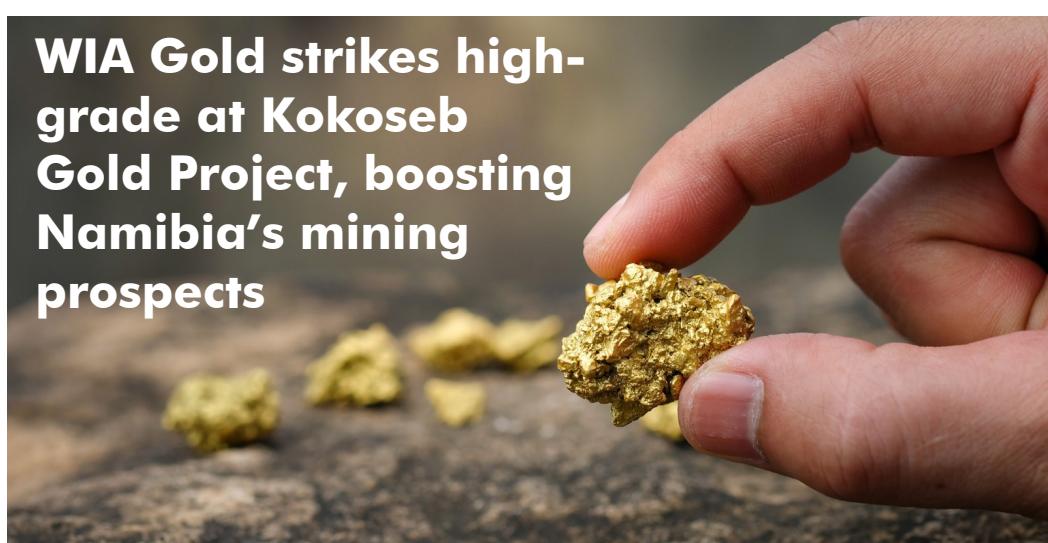
legislative framework serves as the bedrock of our quality assurance efforts, ensuring that standards are rigorously upheld across various sectors," Mvula stated.

He underscored the Metrology Act's role in protecting consumer interests, promoting fair trade practices, and bolstering the credibility of Namibian products both domestically and globally.

As global markets become increasingly interconnected, the establishment of robust standards in Namibia not only strengthens the country's internal industries but also enhances its competitiveness on the world stage. With these efforts, Namibia is poised to contribute significantly to the global energy transition and economic development.

Mining

WIA Gold strikes high-grade at Kokoseb Gold Project, boosting Namibia's mining prospects



WIA Gold Limited has announced significant advancements at its Kokoseb Gold Deposit in Namibia, revealing high-grade gold intercepts and

new geological insights. This development is poised to have a substantial positive impact on Namibia's economy, particularly within the mining sector.

Recent drilling results have been promising, with highlights including 43.1 metres at 1.34 g/t Au, 22.9 metres at 1.89 g/t Au, and 13.2 metres at 1.88 g/t Au. These results suggest that the mineralisation remains open at depth, indicating potential for further discoveries.

"Kokoseb continues to deliver further significant drilling results as we target a range of strike and depth extension opportunities across the main zones," said WIA Executive Chairman Josef El-Raghy.

He also noted that a revised geological interpretation indicates two major zones running sub-parallel, which promises additional resources.

The company's latest drilling efforts have been extensive, with assay results from nine RC drill holes, three diamond drill holes, and six diamond tails. These 18 drill holes, totalling 5,529 metres of drilling, are all situated within the resource area but were not included in the recent Mineral Resource Estimate (MRE) update.

"Our current drilling focus is also directed towards increasing classification levels

of the existing MRE via further systematic drilling of the shallower mineralisation across these zones. With three rigs in operation at Kokoseb, we look forward to a steady pipeline of drilling results over the remainder of 2024," El-Raghy added.

Drilling at Kokoseb has been ongoing throughout 2024, with three rigs (two RC and one diamond) dedicated to expanding the quantity and quality of gold ounces. Additional noteworthy results include drill hole KDD025, located 50 meters south of a previous high-grade site, confirming continuous gold mineralization with intercepts of 6.9 meters at 2.30 g/t Au and 7.0 metres at 5.35 g/t Au.

Drill hole KRC194 revealed two significant zones, one with 9 metres at 1.69 g/t Au and another with 18 metres at 1.58 g/t Au. These correspond to the Western Zone E and the Gap Zone mineralization, which now appear to run sub-parallel rather than merging.

This revised geological interpretation is expected to positively impact further MRE growth locally.



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Namibia urged to establish an integrated framework for oil, gas and critical metals



The Namibian government has been urged to establish an integrated framework to govern the country's oil, gas, and critical metals sectors. This recommendation comes amid ongoing discussions regarding regulatory efficiency and sustainability within these vital industries.

Empowerment Consulting Services' Managing Partner Zenzi Awases said it was important for the country to have a cohesive approach to managing the extractive sector, citing concerns over fragmented regulation and oversight.

"Each sector currently operates under its own set of regulations, leading to inconsistencies and inefficiencies. To

optimize sector potential and ensure sustainable development, a single framework that encompasses all aspects of exploration, extraction, and production is essential," she said.

She further underscored the need for holistic governance, addressing interconnected challenges such as environmental impact and community engagement. Awases called for collaborative efforts among industry stakeholders, government entities, and civil society organizations to develop inclusive policies and standards. This proposal aligns with global initiatives aimed at promoting responsible resource management and mitigating environmental risks associated with extractive industries.

Awases believes that a unified framework could enhance transparency and accountability, fostering greater trust among stakeholders.

"The absence of a unified framework hampers efforts to address the complex interdependencies within these industries," she noted.

Supporting this perspective, University of Namibia lecturer Gurvy Kavei stressed the importance of strategic planning for the exploitation of critical minerals. Kavei emphasized the need for clear strategies to ensure economic development and social progress.

He suggested reinvesting profits into initiatives such as building an endowment fund and increasing equity participation progressively. Kavei also advocated for partnerships with educational institutions

to build local capacity and policies that prioritize self-actualization and value addition, particularly in infrastructure development.

John Steytler, the CEO and Economist at the Development Bank of Namibia, also highlighted Namibia's favourable regulatory environment, particularly in the mineral sector.

"Namibia has always been highly rated when it comes to governance, protection of property rights, and policies," Steytler stated. However, he cautioned against overregulation, emphasizing the importance of maintaining a pragmatic approach towards economic development.

Steytler noted that Namibia's status as a mixed economy allowed flexibility in

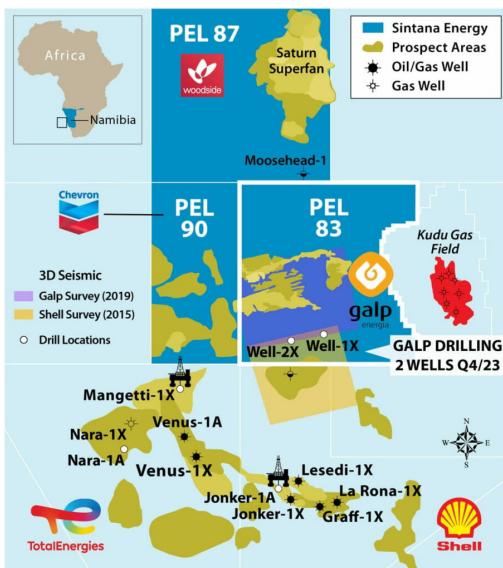
decision-making, but warned against stifling investment with excessive regulation.

"Namibia has been attracting significant investment in minerals," attributing this success to the country's strong regulatory framework. Steytler called for a deeper examination of how investments benefit Namibia and emphasized the country's small, open economy status. He advocated for embracing openness and strategic positioning within regional value chains.

The economist reaffirmed confidence in Namibia's economic policies, citing the influx of mining investments as evidence. Steytler emphasized the need to align policies with the Constitution's principles of embracing openness to foster economic growth.

Energy

Global energy firms eye stake in Namibia's Mopane oil field discovery



Exxon Mobil, Shell, TotalEnergies, and Equinor are among the prominent energy giants considering bids for a 40% stake in Galp Energia's Mopane oil field discovery, situated offshore Namibia.

The potential deal, as reported by Bloomberg, could herald a significant turning point in Namibia's oil and gas sector, with estimates suggesting substantial reserves await exploitation.

Galp Energia's evaluation indicates that the Mopane complex holds an estimated 10 billion barrels of oil equivalent (boe). This assessment, if realized, could translate to a staggering value of approximately N\$362 billion (US\$20 billion) or more, positioning the discovery as a lucrative asset in the global energy landscape.

Industry experts assert that the interest shown by major energy players underscores Namibia's growing appeal as an investment destination in the oil and gas sector. A successful partnership with international companies could inject significant capital into the country, fostering economic growth and job creation.

In addition, the development of the Mopane field has the potential to generate substantial revenue for Namibia through royalties, taxes, and other fiscal mechanisms. This influx of funds could bolster government coffers, enabling investment in critical infrastructure and social programs.

It can also be noted that collaboration with established energy firms offers Namibia the opportunity to acquire cutting-edge technology and expertise in offshore exploration and production. This knowledge transfer could enhance the capabilities of local companies and professionals, fostering a sustainable oil and gas industry ecosystem.

Information gathered by this publication show that Galp Energia's move to divest a portion of its stake in the Mopane project is driven primarily by financial considerations.

Galp Chief Executive Filipe Silva said financial constraints associated with the development of multiple Floating Production, Storage, and Offloading (FPSO) projects have prompted the company to seek external investment. By offloading a portion of its holding, Galp aims to optimize its financial capacity while retaining strategic involvement in the project's development.

Galp Energia holds an 80% stake in

Industry experts assert that the interest shown by major energy players underscores Namibia's growing appeal as an investment destination in the oil and gas sector.

Petroleum Exploration Licence 83 (PEL 83), covering nearly 10,000 square kilometers in the prolific Orange Basin. Partnered with Namibia's national oil company NAMCOR and independent exploration group Custos, Galp is poised to leverage its extensive expertise in offshore exploration and production.

The Mopane field, situated in the Orange Basin, aligns with existing exploration activities by industry majors Shell and TotalEnergies. The potential synergy between these projects underscores the region's rich hydrocarbon potential and underscores Namibia's emergence as a key player in the global energy landscape.

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Mining

Madison Metals commences drilling program at Khan Uranium Project in Namibia

Madison Metals Inc. has announced that the maiden 2024 drill program has commenced at its Khan Project.

Drilling will focus on the areas outlined by Madison in April earlier this year.

In April, the company announced that it had embarked on a mapping programme ahead of the drill programme, which consisted of infill geological mapping, along with ground scintillometer and spectrometer surveys over several Anomaly 5 drill targets.

Madison's original surveying was completed at 40 m line spacing with 10 m station spacing. The company added new drill targets at Anomaly 5 by surveying at 20 m line spacing.

Previously, Madison had reported surface sample assays at Anomaly 5, which included 9 m grading 0.25% triuranium octoxide (U₃O₈), including 1 m grading 1.28% U₃O₈, in Trench 4, 9 m grading 0.39% U₃O₈ in Trench 5 and 5 m grading 0.12% U₃O₈ in Trench 3.

Madison will publish results as deemed necessary and once fully analysed.

The Khan Project is located in Namibia's highly prospective Erongo uranium province.



Madison Metals Inc. is an upstream mining and exploration company focused on sustainable uranium production in Namibia and Canada.

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Namibia's oil and gas sector set for major overhaul to attract global investors

Namibia is making significant strides in its oil and gas sector, with a legal overhaul underway to create a more attractive environment for international investors.

This was the key takeaway from a presentation delivered by Shakwa Nyambe, Managing Partner of SNC Incorporated, at the recent Africa Energies Summit 2024 in London.

Nyambe highlighted the government's review of the current petroleum legal framework, aimed at fostering investment and growth within the sector.

The review according to Nyambe, encompasses the potential introduction of new regulations for exploration and production activities, alongside amendments to the fiscal terms governing petroleum exploration and production in Namibia.

"We're looking at potentially introducing

detailed regulations for oil and gas exploration and production. These regulations would cover everything from development plans and work programs to drilling operations, surveys, and more. There's also a chance we'll see changes to the tax and royalty structure for the oil industry, especially considering Namibia's first oil production is expected by the end of the decade," Nyambe said.

While the specific details of these potential changes are yet to be finalized, Nyambe also highlighted that the Petroleum Act in its current form does not have specific provisions for the development of natural gas fields. This is more definitively covered in the Model Petroleum Agreement.

He emphasized that as a potential gas-producing region, the Model Petroleum Agreement also ought to undergo reviews and amendments.

He however, advised that it would be beneficial to legislate some of the provisions for the development of gas fields rather than leaving these to be fully negotiated under a contractual regime.

"I strongly believe we should include stabilization clauses. These clauses are essential to give international companies and investors the confidence and security they need. Especially in developing countries, there's always the risk of political upheaval or sudden changes in laws. Stabilization clauses would shield them from such risks. These clauses also work hand-in-hand with other established investment law concepts, like fair and equitable treatment, full protection and security, and protection against expropriation," he said.

Nyambe also recommended the establishment of an independent regulator for the upstream oil and gas sector.

According to him, the establishment of an independent upstream oil and gas regulator would greatly benefit the country as it would ensure impartiality and transparency in decision-making processes, thereby reducing the potential for conflicts of interest or direct political interference.

"An upstream regulator will oversee the licensing and permitting process for oil and gas exploration and production activities. These will include evaluating applications, setting criteria for qualification and granting licenses. An independent upstream oil and gas regulator will also carry out other functions, which will include monitoring petroleum activities, technical and safety compliance with laws, environmental protection, and issuing guidelines or notices," Nyambe said.

Moreover, Nyambe's presentation suggested a focus on streamlining the exploration process and potentially

introducing a bidding system for certain oil and gas licenses.

"I propose we move towards license bid rounds. These would be announced publicly at regular intervals, giving companies a fair shot at competing for licenses. This system allows the government to carefully assess the financial muscle and technical expertise of potential investors. By making the process highly structured with clear criteria and timelines, we can ensure only qualified and capable companies get licenses. This transparency also helps reduce the risk of any shady dealings," he said.

His presentation also covered the importance of local content in Namibia's petroleum industry. He stressed the need for a clear and stable regulatory framework to support local content requirements.

According to Nyambe, this framework should identify specific sectors for developing local capacity, maximize employment and development opportunities for Namibians, enhance local supplier participation across the value chain, and promote Namibian ownership and financing at all levels of the industry.

"We need to make sure this oil and gas industry benefits Namibians too. That's why I'm advocating for in-depth studies to identify exactly where this industry can create the most positive impact for our people. These studies would involve looking at our current industrial base and the vocational skills our workforce already has. With this knowledge, we can then draft a clear regulatory framework, developed through discussions with all the relevant stakeholders. This framework would ensure local companies can participate and Namibians have the chance to develop the skills they need to succeed in this new sector," Nyambe said.

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