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Congolese methane gas projects in Lake Kivu move forward

Three methane gas blocks in the Congolese part of Lake Kivu have been awarded to North American companies. The DRC hopes to catch up with its neighbour Rwanda, which already has a power plant fuelled by methane from the lake.

Issue dated 18/01/2023 • Reading time 4 minutes



A methane extraction platform on Lake Kivu. © Pablo Porciuncula/AFP

Congolese Hydrocarbons Minister **Didier Budimbu** had promised the signing of production-sharing contracts for three methane gas blocks in Lake Kivu, which is shared by the DRC and Rwanda, by the end of October 2022. Three months after that lapsed deadline, the award process has reached a symbolic stage. **Symbion Power, Winds Exploration and Production** (Winds E&P) and **Alfajiri Energy** were in mid-January awarded the Makelele, Idjwi and Lwandjofu blocks respectively.

All the candidates had been on hold for several weeks, and were speculating about how the conflict between the DRC and Rwanda might have delayed the bidding process. Tensions between the two countries, which accuse each other of mutual destabilisation, are centred on Rwanda's support, which has been documented by the **United Nations**, for **M23** rebels active in DRC (AI, <u>22/12/22</u>).

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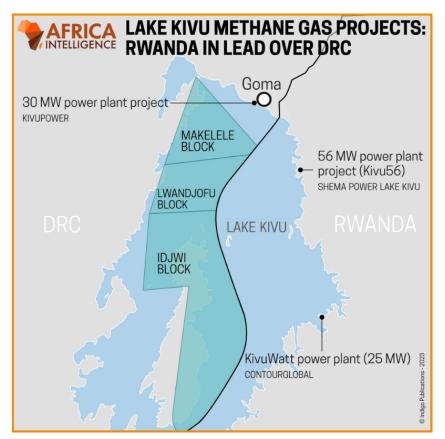
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Rwandan competition

The three blocks put on the market by the DRC are located in the Congolese part of Lake Kivu, which is nicknamed the "killer lake" because of the toxic gases - methane and carbon dioxide - it contains. The challenge of getting the blocks into operation quickly, to prevent risks, is particularly sensitive. Rwanda is well ahead of its giant neighbour in using methane to generate electricity. Its KivuWatt power plant (25 MW) has been operational since 2015 (AI, <u>24/05/16</u>).



Lake Kivu methane gas projetcs: Rwanda in lead over DRC. © Indigo Publications - 2023

DRC drew up plans for its own electricity projects at the same time as Rwanda, but these have been slow to get off the ground. A contract to build a 30-MW power plant at a cost of \$350m, to be fed by a fourth block on the Congolese side of the lake - the Goma block - was awarded in 2016 to the Tunisian firm **EPPM**. It says that the start of work, which has been postponed several times, is now scheduled for this year.

North Americans out in force

EPPM will soon no longer be the only firm developing a methane exploitation project on the shores of Lake Kivu, with the arrival of the three North American companies that have been awarded Makelele, Lwandjofu and Idjwi. Symbion Power, which has bagged Makelele, was among the most serious candidates as it has already been involved in the past on the Rwandan side, where in 2014 it financed the Kivu56 (56-MW) power station that was developed at a cost of \$200m (AI, <u>27/10/15</u>). Symbion in 2019 sold its interest in the project, which was supposed to be delivered by **Shema Power Lake Kivu** in 2022 but is now planned for 2023. Symbion, which was founded by security expert **Lord Richard Westbury** and is headed by **Paul Hinks**, is very active in Africa but has experienced several setbacks there. It ran two power plants for a few years in Tanzania and Madagascar, but its contract to manage Tanzania's Ubongo power plant (120 MW) ended in arbitration against the state-owned electricity company **Tanesco**, which stopped paying Symbion for the electricity (AI, <u>23/12/19</u>). Symbion also recently gave up management of the Madagascan Mandroseza power plant for the same reason (non-payment) after a dispute with both the national utility company **Jirama** and its partner in the project (AI, <u>15/09/22</u>).

Winds E&P, which got the Idjwi block, is also domiciled in the US, in Houston. It also has an office in Lagos, Nigeria, where its directors **Frank Ihekwoaba** and ex-**Shell** executive **Victor Ogoke** are originally from. They respectively work in Texas and Utah, where Winds E&P operates a methane field. Alfajiri Energy, which won the Lwandjofu block, is domiciled in Canada. It was registered in Calgary in January 2022 and has no known ongoing projects.

The losers

Two local players, **Comhydev** and **Mash Wait Company**, who were unsuccessful candidates in the tender, also have no other projects on the go. Comhydev has however long coveted the Lake Kivu blocks. It participated in a previous tender in 2014, as did Symbion Power.

Only one of the three Congolese companies bidding for the Lake Kivu gas blocks, **Ray Group**, has ever won a major contract in the DRC. The **Société Nationale d'Electricité** (SNEL) recently awarded it a contract for the modernisation of the Mwadingusha, Koni and Nzilo I hydroelectric plants. The project is financed by the **Ivanhoe** mining company, for which the electricity is intended. Half of Ray Group's management team is Lebanese, as is its managing director **Roland Yaghi**.

Congo Exploration was also among the companies that expressed interest in the Lake Kivu gas blocks. It is based in Pointe-Noire in the Republic of Congo and was founded in 1997 by geologists. It mainly handles subcontracts, including drilling supervision, for firms in Congo such as **Perenco** and **TotalEnergies**.

The list of bidders also included **Global Business Consulting Consortium** and **Cires Sarlu cikwara ressources**, both of which have undisclosed founding dates and shareholders.

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