
Asenjo Energy

Mine Web

30 January 2008

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212B TONS COAL RESOURCES

A second serious coal player in Botswana

Asenjo Energy plans to build a power station to burn 4 million to 6 million tons of coal annually and is investigating a coal-to-liquids plant in Botswana.

JOHANNESBURG-- A new African coal joint venture, Asenjo Energy, is planning to exploit Botswana's rich coal resources to firstly provide power to energy-poor surrounding countries and to pursue international exports.

The venture, comprised of Sentula Mining, a well-known mining services company in South Africa formerly known as Scharrig Mining and listed on the JSE with a market capital of about R5 billion, Jonah Capital, an investment company and Aquila Resources, a west Australian mining company focused on bulk commodities coal and iron ore, are exploring 2200km of prospective ground north of Gaborone.

Asenjo Energy's first main focus is its Western Mmamabula project comprising prospects of 4.1 billion tons of coal resources at a thickness of 0.9 - 4.5 metres. About 25% of resources here are currently in the inferred category and another 25% is in the indicated category.

Asenjo started exploration drilling at the beginning of this year and plans to complete a pre-feasibility on this prospect by March 2009. It has ambitions to develop the project to bankable feasibility stage within 20 months.

Chief Operating Officer Malcolm Campbell said today the company had high confidence in the Western Mmamabula resource as it has closely examined historic exploration work on the resource, which included recent work by partner Aquila Resources.

The "Australian" mining company brought five prospecting permits covering the total prospecting area to the venture.

Campbell said the company's first focus would be to build a power station next to Mmamabula and to supply power to mining companies in Botswana and neighbouring states, including South Africa. However, the company would pursue exporting coal to the international market once infrastructure in the region developed further.

Asenjo would build something in the order of a 2,500 to 3,000MW power station that would burn 4 million to 6 million tons of coal annually, he confirmed.

Although coal was historically not exported from Botswana due to the country's distance from ports, infrastructure projects, such as port expansions at Walvis Bay and Luderitz in Namibia are being planned to accommodate exports.

The joint venture is also investigating the construction of a coal-to-liquids plant and has secured a licensing agreement for exclusive use of an interesting patent in Botswana from a technology provider. They expected a memorandum of agreement between the parties to be signed during the upcoming Mining Indaba held in Cape Town next week.

Campbell said fuel, gas and chemicals could potentially be produced at the plant.

Botswana has the resources to be a major coal producer as it accounts for 212 billion tons or 66% of sub-Saharan Africa's coal resources. Current coal prices made exporting an attractive option.

Asenjo Energy plans to list in either Johannesburg, Botswana, Toronto or London once its pre-feasibility study is completed in March 2009.

Campbell said the company was one of two serious coal players in the country where various parties have scrambled for coal prospecting permits to be converted to mining rights within seven years.