

JOHANNESBURG - Exploration company Asenjo Energy is developing various Botswana coal resources, and hopes to help ease a power shortage in the region as soon as 2015, COO **Malcolm Campbell** said on Wednesday.

Botswana-based Asenjo expects to end the pre-feasibility study for its one-billion ton resource at Dukwe by the middle of next year. It would sell coal domestically and to neighbouring countries, and supply a 300-600 MW power station.

"Probably in a year's time, by mid 2010, the pre-feasibility study will be completed," Campbell told Reuters in an interview.

"There is a lot of scope for selling coal both in Botswana and to the neighbours, and in southern Africa there is a massive power deficit that needs to be filled."

He said the date when Dukwe, in the north-east of Botswana near the border with Zimbabwe, will move to the feasibility stage depends on Asenjo's ability to raise funding.

The pre-feasibility phase, estimated at \$15-million, is funded by the joint venture behind Asenjo, comprised of Sentula Mining of South Africa, Aquila Resources of Australia and private African investment firm Jonah Capital.

While the global financial crisis has not affected the project up to now, Botswana-based Asenjo decided not to list as planned in June to raise parts of the funding for the next stage of the project.

"Now is not the right time, but we are reviewing the situation every three months," Campbell said.

If all goes well, the power station could start producing power by 2015, Campbell said.

"We could have a mine operating much quicker than that, if we manage to secure some offtake agreements domestically and regionally," he said.

Depending on the deals, the coal mine could produce up to 20-million tons per year over a lifespan of up to 40 years.

The size of the power station could be raised as well.

"Some 600 MW is a nice size to establish credibility, and it takes a lot of money to build... then you can expand," he said.

Campbell said the company was working closely with the Botswana government, which has realised the need for the country to diversify its economy away from the diamond industry, which has suffered greatly as a result of the economic slowdown.

Asenjo is also conducting exploration work in other areas around Botswana, but Campbell said the company expects to develop Dukwe first because of its proximity to adequate infrastructure to rail the coal and supply power to the grid.

Its total coal resources in the country amount to around 6,7-billion tons of coal, including export-grade quality coal in some of the areas, Campbell said.

"The issue is the infrastructure and getting the coal to the sea ... in the future I would envision some type of public-private partnership to develop the infrastructure."

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