
Asenjo Energy

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Asenjo Energy to launch prefeasibility study on Western Mmamabula prospect

The Western Mmamabula prospect came up trumps as the preferred development option for prospective power producer Asenjo Energy Botswana, which hopes to fast-track the development of the area's underexploited coal potential for power generation, coal-to-liquids production, or even coal exports.

The Mmamabula prospect contains an estimated resource of 4,11-billion tons of coal, and the initial exploration and modelling of Western Mmamabula was expected to be complete by December 2008, and the prefeasibility study is expected to be completed by March 2009, which is also when a target listing date should be identified by.

The company was considering various power supply development options in response to the ever-increasing demand for power in the Southern African region.

It was said that coal-to-liquid fuels was being considered, and Asenjo indicated that it had a licensing agreement with a technology provider regarding the patented technology.

Current prices also make the export of coal to Asian markets an attractive option for the company, as well as potential exports to Zambia, Angola and Malawi. Regional supply opportunities included various mines and smelters operating in Botswana, which had expansion plans, as well as supplying to other industry, for example cement manufacturers.

Asenjo Energy Botswana is an Asenjo Energy Mauritius subsidiary, which is a 50:50 joint venture (JV) between Aquila Resources, and Jonah Coal - which is a 50:50 Jonah Capital and Sentula Mining JV.

Asenjo has five prospecting permits in Botswana, making up an area of 4 719 km², and these were divided into the Dukwe project, two prospects making up the Lechana Tshimoyapula project, and the two prospects making up the Western Mmamabula project.

In November 2007, a \$15-million commitment was made to the exploration of the prospects, and Mmamabula emerged as the project of choice to proceed with.

The company indicated that it was willing to consider partnerships in the developing stages of the project to optimise value.