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## **Gazprom strikes USD 1 billion energy deal in Namibia**

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Russian energy giant Gazprom said on Friday that its banking unit had struck a USD 1 billion deal with Namibian energy company Namcor to build a new power plant in Namibia.

Under the deal, Russia would build a power plant generating energy for both Namibia and South Africa, getting a foothold in the lucrative Kudu gas field, Namibia's only commercial field to date. The deal was reached during a visit to Windhoek by Russian President Dmitry Medvedev who left Namibia for Angola on Friday as he wraps up a four-nation African tour that has focused on tapping the continent's energy wealth.

Mr Boris Ivanov head of Gazprom International told reporters in Luanda that "Our Namibian partners have offered us to organize a financing scheme to monetise gas resources. The cost of the project is around USD 1.0 to USD 1.2 billion adding that the price tag includes the power station, a pipeline and other infrastructure, with construction taking up to four years."

Mr Ivanov said that "It's not a large deposit but has enough reserves. It is a pilot project in Namibia but its economic efficiency is very high."

Gazprombank in a statement said that much of the power generated would be exported to South Africa, which is struggling to meet its growing energy needs.

The company said that "There are plans to use gas from the Kudu field for the power plant. A considerable part of the electricity to be generated will be supplied to South Africa."

The Kudu field, located about 140 kilometres (85 miles) offshore, is estimated to contain 3.3 trillion cubic feet of proven reserves, but years of negotiations over the reserves have yet to yield concrete projects. Medvedev and his counterpart President Hifikepunye Pohamba witnessed the signing of the agreement during his visit to Windhoek.

(Sourced from the news)

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