

Renergen to focus on its Tetra 4 project in SA rather than Ivory Coast

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Natural gas developer Renergen will stop funding a hydro-electric project in Ivory Coast so that it can focus on its Tetra 4 project in SA.



Photo: Moneyweb

A month ago, the Petroleum Agency of SA approved Tetra 4's environmental impact assessment. This means Renergen can start building liquefiers next year and produce liquefied natural gas (LNG) from early 2019.

Renergen's investment in the hydro-electric project to date was R12.5m, but it would have to invest another R20m to complete the studies. The project would need an exceptional tariff to provide an acceptable investment return and Renergen believes it would be better to deploy its money at Tetra 4.

At end-August, Renergen held R4.2m cash, including an environmental rehabilitation guarantee, compared with R12.4m at the end of February.

It has since raised R15m from a share issue and the Industrial Development Corporation (IDC) has provided a R218m loan to help fund the development and installation of a pipeline for Tetra 4 and expand the plant. Up to another R125m will be

raised through a private placement of shares.

Reenergy earned R1.4m from sales of compressed natural gas in the six months to August, about three times more than in the same period last year. After expenses the headline loss almost doubled to 21.15c per share from 11.76c.

Source: *BDpro*

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