

SA, Mozambique state energy firms to increase shareholding in gas pipeline

State-owned energy companies from South Africa and Mozambique have exercised their rights to buy the 30% stake in the Rompco natural gas pipeline that Sasol is selling, the companies said.



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Petrochemical firm Sasol said last month it was selling the stake in the Rompco pipeline from Mozambique to South Africa to a consortium of investors including Reatile Group for an initial amount of R4.15bn.

But that deal was subject to pre-emptive rights on the shares held by existing shareholders iGas, a subsidiary of South Africa's Central Energy Fund, and Companhia Moçambicana de Gasoduto (CMG), a subsidiary of Mozambique's Empresa Nacional de Hidrocarbonetos.

iGas and CMG will now increase their stakes in Rompco to 40% each from their current level of 25%. Sasol, which is trying to shed assets to pay off debt, will reduce its shareholding from 50% to 20%.

The transaction will be fully funded from past and future dividends generated by the 865-kilometre pipeline, the Central Energy Fund and Empresa Nacional de Hidrocarbonetos (ENH) said in a joint statement.

"Having both governments as majority shareholders of the cross-border pipeline is strategic, since the pipeline is the single

source of gas to the South African market," ENH chief executive Estêvão Pale said.

Sasol said in a statement: "We can confirm that Sasol has received pre-emptive rights notices and will now review the notices. We believe that the successful partners will add significant value to this important regional energy asset."

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