



Press Release

AUC Signed grant Contract with Olsuswa Energy Limited of Kenya to Conduct Surface study and Infrastructure upgrading for *Barrier Volcanic Complex*

Nairobi, Kenya, 10 October 2017: The African Union Commission (AUC), through its'



Department of Infrastructure and Energy, and Olsuswa Energy Limited signed a Grant Contract for financial support - totaling USD 980,000 to conduct Surface Study and Infrastructure Upgrade Programme at the *Barrier Volcanic Complex* located in Kenya. The Grant Contract was signed by the AUC Commissioner for Infrastructure and Energy, H.E. Dr Amani Abou-Zeid, Commissioner for Infrastructure and Energy, and

the Director of Olsuswa Energy Limited Mr. Mugwe Manga, in Nairobi, Kenya on 10th October 2017.

The signed grant represents 80% of the eligible cost out of the total cost estimated to USD 1.6 million of the project. The signing ceremony was held at the opening of the workshop on the kick of the 5th application round of Geothermal Risk Mitigation facility (GRMF), as part of the AUC efforts to support the Geothermal Energy Development in Eastern Africa countries potential which estimated to more than 20,000 MWe.

Mr. Rashid Abdallah, Head of Energy Division, congratulated Olsuswa Energy Limited on the grant awarded and starting of project even before signing the grant contract, which shows the seriousness and the ability to deliver in near future state of the art geothermal power energy for the people of Kenya.

Mr. Mugwe Manga, Director of Olsuswa Energy Limited, stated that USD 980,000 grant will go towards co-funding the development of the 140 MW geothermal project located in Kenya. The total project stands at an investment of USD 420 million over 5 – 8 years period. He also highlighted the crucial role of the GRMF in de-risking the geothermal development and make the projects more attractive to the global investors.

The GRMF has been established by the AUC, the German Federal Ministry for Economic Cooperation and Development and the EU-Africa Infrastructure Trust Fund, with the technical support of the German Government owned Development Bank, KfW. The objective of GRMF is to encourage public and private investors to develop geothermal prospects for power generation in Eastern Africa by providing cost sharing grants for surface studies and drilling of reservoir confirmation wells. An initial fund totalling 50 million Euros has been made available for such grants. Further contributions and technical assistances were provided by other partners including DFID, UNEP, New Zealand, BGR and others.

The GRMF has achieved significant successes in supporting geothermal energy development in East Africa by awarding around USD 90 million as grants for 26 projects in Comoros, Djibouti, Ethiopia, Kenya, Rwanda and Tanzania in four application rounds since 2012. The 5th application round was launched on 10 October 2017. For detailed information about the GRMF please visit the GRMF website: <http://www.grmf-eastafrica.org>.