

Liberia says Sinohydro interested in hydro project

CAPE TOWN, Sept 29 (Reuters) - Sinohydro, China's top dam builder, is the sole investor interested so far in a contract to construct and operate a hydro power project in Liberia estimated to cost up to \$4 billion, a minister said on Wednesday.

"They (Sinohydro) are the only investor who has expressed interest in the BOT (build, operate and turnover)," Eugene Shannon, the lands, mines and energy minister, told Reuters on the sidelines of an African energy conference in Cape Town.

"They want to do a BOT of the entire St Paul river basin, which is good. For the Mount Coffee development, which was operational before including the reservoir, that would be about \$400 million dollars. The entire St Paul river scheme will be far more than that, approximately \$4 billion," he added.

Liberia currently has capacity to generate only 10 megawatts, and blackouts regularly plunge millions of citizens in the dark and constrain the economically vital mining sector.

Brazilian mining firm Vale ([VALE5.SA](#)) and Israeli-owned BSGR are also planning to help the west African state raise power production from almost nothing to 1,000 megawatts by 2013. [ID:nLDE68303L]

Vale, as part of a deal with Liberia to transport iron ore from Guinea to port, will help raise Liberia's energy production to 64 MW by rebuilding a defunct hydro plant on the St Paul river.

Shannon, chairman of a presidential task team investigating ways of garnering support for the hydro project, said a meeting in Monrovia next month would help gauge investor appetite.

"Vale has said they would resuscitate 64 megawatts, but that's not sufficient, so we are engaging Norad, we are engaging Ecowas, the African Development Bank and others," he said.

Shannon said Liberia's government hoped to make a final investment decision on the project before the end of the year, and was looking to hand over the project to one company to control for about 25-30 years.