G5 to build Nigerian power plant

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South African construction and engineering company Group Five has won a US$62-million (about R430-million) contract to design, supply and install a 130-megawatt power station in Nigeria's Abia State, making it the company's second power project in the African independent power market.

Group Five is to build the plant, strategically located in Aba, the commercial capital city of Abia State in southeastern Nigeria, on behalf of Geometric Power Limited, a local private-sector company operating independent power plants for the generation, transmission and distribution of power to industrial clusters, commercial entities and the general public.

"This contract further cements our successful entry into the independent African power market and proves the success of our West African business - a region we have successfully worked in since 1995," Group Five chief executive Mike Upton said in a statement on Monday.

"In line with our stated strategy of tapping into the energy sectors in Africa, we have delivered on our strategy of ensuring that our engineering business is ready for the expected large turnkey projects flowing from the power generation and distribution sector on the continent."

The project started in October 2007 and will be completed in December 2008.

"With the average annual power supply in Nigeria at approximately 20% of its total demand, Aba has a large cluster of sustainable industries that need reliable electric power," Group Five says.

An existing gas pipeline into the city makes it ideal for the development of the new plant, which comprises three General Electric gas turbines fuelled by natural gas.

The Aba power station is Group Five's second power project in the independent African power market, and follows the company's successful execution of the first stage of the $90-million (R585-million) contract for a new power station in the Akwa Ibom state of Nigeria in 2005.

SAinfo reporter