Press Release

New power supply agreement with Geita Gold Mining Limited will give TANESCO a Tsh5bn boost in monthly revenue

(22 February 2021, Dar es Salaam) - On 21 February 2022, Geita Gold Mining Limited signed a power sales agreement with TANESCO to connect its Geita Gold Mine (GGM) operations to the power grid, which will generate an additional Tshs 5 billion in monthly revenue for TANESCO from this power transaction agreement.

During the signing ceremony of the power transaction agreement between TANESCO and GGML, Maharage Chande, Managing Director of TANESCO, said in his speech that the commencement of operations will enable TANESCO to increase its revenue which will help improve various services to its customers.

"Secondly, we will reduce diesel emissions but also increase the efficiency of GGML’s operations in the sense that production costs will be reduced," Maharage said.

He added that the biggest and most important step for GGML will be to connect to the national grid, more than twenty years after GGML was established.

The success of this initiative can be attributed to the various efforts of TANESCO to improve power supply in the Geita region through the construction of a 90-megawatt capacity power plant.

On his part, AngloGold Ashanti’s Vice President (Sustainability), Simon Shayo, said GGML will build a power station with a capacity to receive the power, to be used for the operation of the Mine.

"For us, this means that by not using diesel, we can not only significantly reduce the cost of the electricity we use, but also protect the environment," he said.

GGML currently spends 19 US cents to generate electricity for one unit powered by diesel. When the project is completed and connected to the grid, the cost will drop to less than 9 US cents per unit of electricity, which is equivalent to over 100% reduction in the cost of power.

The TANESCO power transmission line project to the Mine, which includes a 6 km of 33kva transmission line as well as GGML’s power station, are both expected to be completed by the end of 2022.

Ends.

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