

Perth firm Salternas plans world's largest solar salt project in Somalia



Solar salt fields at Shark Bay, Western Australia. Picture: Simon Butterworth
The Australian
12:00AM January 15, 2018

Resources reporter Perth @PDGarvey

A group of Perth businessmen are leading the push for an ambitious plan to build the world's largest solar-salt project in Somalia.

Private company Salternas has secured a site on Somalia's northwest coast and is now pulling together funding for a detailed study into the merits of a huge salt project.

Preliminary studies have estimated the project could support up to 10 million tonnes a year of salt exports and generate more than \$US6 billion (\$7.6bn) in cash flow over an initial 20-year operating life.

But the project is also being pitched as a philanthropic endeavour, with the salt operations designed to generate associated water and agricultural resources in one of the world's poorest regions.

According to an information memorandum prepared by Salternas, the company has secured an initial 25-year lease on 150sq km of arid coastal land in Somaliland, a self-declared — and as yet internationally unrecognised — state

that is an autonomous region of Somalia.

While Somalia has a reputation as one of the most dangerous nations in the world after decades of unrest, Salternas says Somaliland is comparatively stable. The project site is about 1400km from Mogadishu, the Somalia capital that is also the epicentre of much of the country's violence.

International sovereign risk expert Colin Roberts, the chairman of Salternas, believes the project can mitigate the dangers through the bilateral investment treaty between Somalia and Germany. Salternas plans to establish a German subsidiary, which in combination with the treaty will give the project recourse to the International Court of Justice.

The project's first stage is projected to cost between \$US110m and \$US190m to develop, but Mr Roberts is hopeful the potential social benefits will appeal to philanthropically inclined investors.

"We are hoping to find people like ourselves, people who have reached that part of their lives where they've done well and they want to put something back into Africa," Mr Roberts told *The Australian*.

While the elevated salt levels of the Gulf of Aden, the high evaporation rates and low rainfall of Somaliland are ideal for a solar salt operation, Salternas also plans to capture the freshwater evaporation and feed it into nearby greenhouses. Those greenhouses would grow vegetables as well as fodder for cattle, while the evaporation ponds themselves could be suited to aquaculture. "The great thing about the salt project is it creates a mini-environment good for crops, fodder and freshwater. And this is certainly an area that needs all that,"

Mr Roberts said.

Among the directors of Salternas are John Balfe, a 40-year veteran of engineering and construction projects who also spent several years working in Somalia, and Wally Hughes, a builder who was part of original construction team on both the Port Hedland and Dampier solar salt fields in Western Australia.

Existing world sources of salt supply are struggling to keep up with the estimated 4 per cent a year in demand growth, and Salternas's modelling suggests its project should be handsomely profitable.

Mr Roberts believes it can be much more than just another profitable resources project. "The financial return is important, you've got to have a financial return to pay for the downstream side," he said. "But we're all old Africa hands and we are all of an age now that we want to do something for the region."