

Oil giant Shell snaps up African solar provider Daystar Power

Oil giant Royal Dutch Shell will purchase African solar provider Daystar Power as it expands its global renewables portfolio, the companies said on Wednesday, 28 September.

By Libby George ^{28 Sep 2022}



Source: Reuters/Toby Melville

Shell is one of the most influential oil producers in Africa, but the Daystar purchase is its first power acquisition on the continent, underscoring its mandate to cut its greenhouse gas emissions in half by 2030.

"As we do this, we're helping to address a critical energy gap for many who currently rely on diesel generators for backup power," Thomas Broström, Shell's vice president for renewable generation, said in statement.

Neither Shell nor Daystar commented on the sale price. Shell earmarked \$2-3bn in capital expenditure for renewables and energy solutions in 2022.

Daystar, headquartered in Lagos, provides off-grid power to commercial and industrial clients in Nigeria, Ghana, Togo and Senegal, offering solar and hybrid power solutions with battery storage.

It has 300 power installations with installed solar capacity of 32 megawatts, but aims to boost capacity to 400MW by 2025.

It also plans to expand to eastern and southern Africa, a goal that Daystar chief executive Jasper Graf von Hardenberg said would be easier to reach with Shell.

"For the next stage - really becoming a pan-Africa power provider - it requires an investor with the same vision. Someone really with sufficient firepower to finance this growth," he told Reuters.



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Shell to fully own Daystar

Pending regulatory approvals, Shell will fully own Daystar, but Von Hardenberg and the management team will continue to run the company.

Shell's renewables and energy solutions division accounted for 6% of company earnings in the second quarter, but new chief executive Wael Sawan is accelerating the drive for cleaner power.

It has shifted hundreds of experienced oil and gas staff into renewables and in April purchased India-base renewable power platform Sprng Energy group for \$1.55bn.

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