IFC steps in to support Rialto

Australia-listed Rialto Energy has signed up an investment from the International Finance Corporation (IFC), in order to support the expansion of power provision in Cote d'Ivoire.

IFC and its IFC African, Latin American and Caribbean Fund (IFC ALAC Fund) will each provide US$10 million, with an option to invest another US$8 million each over the next four years. The statement from IFC said the cash would support exploration in the CI-202 block, offshore Cote d'Ivoire.

The West African country has "the potential for significant hydrocarbon resources" but development has been "hampered by political and military crises during the past decade," the international investor's statement said.

Rialto's production will "help address the current and projected gas shortages that are preventing growth in the country's power sector."

The World Bank-affiliated agency will also ensure exploration and development are carried out in an environmentally conscious fashion.

"We believe Rialto has the leadership and resources to provide Cote d'Ivoire with long-term inputs for its domestic energy production," said IFC's global head for oil and gas, Lance Crist. "This investment aligns with our strategy to support Cote d'Ivoire's private sector in creating jobs, generating government revenues and building infrastructure."

The head of the IFC ALAC Fund, Sujoy Bose, said the investment was part of its "strategy to support strong companies operating in rapidly growing sectors. We look forward to partnering with Rialto in their offshore Cote d'Ivoire projects, one of the most promising and least developed oil and gas regions within West Africa." The fund is a wholly owned subsidiary of IFC that invests capital on behalf of outside interests.

The rationale of producing gas to generate power for local consumption is playing an increasing role in the development of Africa's resources. Owing to poor infrastructure, local grids are often under-supplied and expensive, often having to be supplemented with output from even more expensive diesel generators. ■