OFFSHORE ENGINEER · LIBYA · UPSTREAM

XRG in talks to buy stake in Eni Libya unit

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XRG, the international investment arm of Abu Dhabi National Oil Company (ADNOC), is in advanced discussions with Italian major Eni over the potential acquisition of a stake in Eni's oil and gas business in Libya. The talks represent a significant prospective ownership change in one of North Africa's most active upstream portfolios, operated by a company that has been present in Libya for decades.

Eni is one of the largest foreign operators in Libya, holding interests across multiple producing concessions that contribute meaningfully to the country's output. Libya holds Africa's largest proven crude oil reserves, and Eni's Libyan assets include both onshore and offshore production positions. No financial terms, stake size, or timeline for conclusion have been disclosed at this stage of discussions.

XRG was established by ADNOC as a dedicated vehicle for international upstream and midstream investments, targeting assets outside the UAE that offer long-term hydrocarbon value. A deal with Eni in Libya would mark a notable expansion of XRG's African footprint and signal continued Gulf state appetite for acquiring stakes in established, cash-generating upstream positions across the continent.

The discussions remain at the talks stage and do not yet constitute a signed agreement or binding transaction. Completion of any deal would be subject to Libyan regulatory approval and alignment with the country's national oil company, the National Oil Corporation, which oversees foreign participation in Libyan upstream activity. Libya's investment framework for foreign operators has historically been shaped by production-sharing and EPSA agreements administered through the NOC.

Libya's upstream sector has experienced repeated disruptions linked to domestic political instability and force majeure events at export terminals and producing fields. Despite this, international operators including Eni have maintained a long-term commitment, and production has periodically recovered toward pre-disruption levels. The entry of a Gulf sovereign-backed investor such as XRG into the ownership structure of a major operator's Libyan business could introduce additional capital and strategic stability to asset development plans, though the operational and political risk environment remains a primary consideration for any prospective investor or service provider active in the country.

Why this matters to partners and clients of Saga

This is an MoU-stage discussion with no signed transaction; Norwegian service companies should monitor progress rather than initiate procurement outreach. If a deal closes and XRG-backed development spending accelerates, well services, drilling contractors, and subsea firms with existing Libya or Eni relationships would be best positioned to engage. Relationship-building with both Eni's Libya procurement teams and XRG's project development contacts is the appropriate near-term action.

PARTNER ANGLES

- **Drilling:** An ownership change bringing Gulf capital could unlock deferred well campaigns across Eni's Libyan concessions — monitor for rig tender activity if the deal closes.
- **Well Services:** Eni's Libya portfolio includes mature fields requiring workover and production enhancement; a capitalised new co-owner may prioritise such programmes, creating well services demand.
- **Subsea/FPSO:** Any offshore development acceleration within Eni's Libyan acreage would require subsea infrastructure support — track asset development plans post-transaction.
- **Pipeline:** Libya's export infrastructure has suffered conflict-related damage; increased investment confidence could support pipeline rehabilitation and integrity contracts.

- **Service:** Oilfield service companies with established NOC and Eni Libya approvals should ensure vendor registrations remain current ahead of any potential activity uplift.

Original source: Offshore Engineer →

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