ECOFIN AGENCY · MOZAMBIQUE · LNG

ENH drills offshore Mozambique for first time at Coral Norte

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Mozambique's state oil company Empresa Nacional de Hidrocarbonetos (ENH) has entered offshore drilling for the first time, launching operations at the Coral Norte field through a joint venture with Italian contractor Saipem. The campaign marks a strategic shift for ENH, which has historically held equity stakes in upstream projects without taking an active role in direct drilling operations.

The drilling programme at Coral Norte is expected to last approximately ten months and will target up to six production wells. The campaign represents ENH's move toward operational participation in the country's upstream sector, deepening its technical and commercial exposure to offshore gas development at a critical juncture for Mozambique's LNG ambitions.

Coral Norte is slated to begin commercial LNG production in 2028. The project is part of Mozambique's broader offshore gas development in the Rovuma Basin, which holds some of the largest natural gas discoveries made globally in the past two decades. The country already has LNG production experience through the Coral Sul floating LNG facility, the first FLNG unit deployed in Africa, which began commercial operations in 2023 and has established a template for monetising deepwater gas reserves in the region.

ENH's direct involvement in drilling operations at Coral Norte signals an intent to build in-house technical capacity rather than remain a passive equity participant. For the Mozambican government, this transition carries both commercial and political significance: greater operational control over upstream activities strengthens the

state's position in revenue negotiations and long-term resource governance. The joint venture structure with Saipem provides ENH with access to the contractor's offshore drilling expertise while the state company develops its own operational capabilities.

The timing of the Coral Norte drilling campaign is notable given the security situation in Cabo Delgado province, which has affected onshore LNG developments in the area. Offshore operations have been less directly disrupted, and the 2028 production start target suggests project stakeholders maintain confidence in the offshore development timeline. If the well campaign proceeds on schedule and Coral Norte achieves commercial production as planned, it would add meaningful volumes to Mozambique's LNG export capacity and reinforce the country's position as a significant supplier to global gas markets, particularly in Europe and Asia.

Why this matters to partners and clients of Saga

The Coral Norte drilling campaign is an active, multi-well offshore operation involving a confirmed joint venture between ENH and Saipem — Norwegian well services, drilling fluids, and subsea equipment suppliers should monitor contract opportunities as the ten-month campaign progresses. Norwegian FPSO and LNG topsides specialists should track the 2028 production start timeline, as FEED and procurement for processing infrastructure are likely to advance in parallel with the well campaign. Relationship-building with both Saipem and ENH's procurement teams is the appropriate next step given that some supply contracts may already be in progress.

PARTNER ANGLES

- **Drilling:** A ten-month, up-to-six-well campaign creates sustained demand for drilling services, wellheads, and downhole tools — Norwegian well services firms should map their existing Saipem relationships to identify subcontract entry points.
- **Subsea/FPSO:** With a 2028 LNG production start targeted, subsea production systems and tie-back infrastructure procurement at Coral Norte is likely entering or approaching FEED — Norwegian subsea suppliers should position now for qualification.

- **LNG:** Coral Norte adds to Mozambique's growing FLNG and LNG portfolio; Norwegian LNG technology and marine systems suppliers with Coral Sul references have a credible basis for engagement on the next development.
- **Service:** ENH's first direct drilling operation signals a capacity-building phase where technical advisory, HSE consultancy, and operational training services will be in demand from the state company.
- **Pipeline:** Subsea flowlines and infield pipeline infrastructure for up to six production wells represent concrete scope; Norwegian pipeline engineering firms should monitor tender activity through Saipem's supply chain.

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