CONSTRUCTION REVIEW ONLINE · MOZAMBIQUE · LNG

Mozambique clears $7.2bn Coral Norte FLNG financing

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Mozambique has approved a $7.2 billion construction financing framework for the Coral Norte floating liquefied natural gas project, with the government confirming the arrangement carries no sovereign debt obligations or fiscal liabilities for the state. The project is located in Area 4 of the Rovuma Basin, offshore Cabo Delgado Province, and represents one of the largest offshore gas developments currently advancing on the African continent.

The financing structure has been designed to ring-fence public finances from project risk, a significant distinction from earlier Mozambican LNG arrangements that drew scrutiny over sovereign exposure. By keeping the debt off the government's balance sheet, the framework is intended to preserve fiscal headroom while still enabling capital-intensive offshore construction to proceed. Italian energy company Eni is identified as a key operator in Area 4, though the article does not detail the full consortium composition or the specific lenders underpinning the $7.2 billion package.

Coral Norte follows the blueprint established by its predecessor, Coral Sul FLNG, which achieved first LNG cargo in 2022 and demonstrated the technical and commercial viability of floating liquefaction in the deep waters of the Rovuma Basin. Coral Norte is expected to replicate and potentially expand on that model, though the article does not specify the vessel's planned production capacity or a targeted first-gas date.

The Cabo Delgado Province has experienced prolonged instability linked to an Islamist insurgency, which forced TotalEnergies to declare force majeure on its separate onshore Mozambique LNG project in 2021. The offshore FLNG model has proven more insulated from onshore security conditions, a factor that has reinforced investor and lender confidence in the Coral Norte structure. The $7.2 billion financing clearance signals that project sponsors and financiers regard the offshore development pathway as sufficiently de-risked to proceed.

For Mozambique, the project is strategically important as the country seeks to monetise its substantial Rovuma Basin gas reserves and generate long-term export revenues. The no-state-debt financing model, if successfully executed, could serve as a template for future large-scale resource developments in the country, reducing the political risk associated with sovereign guarantees while maintaining access to international project finance markets. The approval marks a material step forward in what has been a protracted development timeline shaped by security concerns, global financing conditions, and post-pandemic capital market dynamics.

Why this matters to partners and clients of Saga

With $7.2 billion in financing cleared, Coral Norte is approaching the stage where EPCI and subsea equipment contracting typically accelerates — Norwegian subsea, FPSO/FLNG systems, and marine services firms should monitor procurement announcements closely and initiate relationship-building with the Area 4 operator and EPC contractors now. No open tender has been announced in this article, so direct procurement outreach is premature, but positioning ahead of formal solicitations is warranted. LNG specialist suppliers should track vessel construction progress for potential module, mooring, and offloading system opportunities.

PARTNER ANGLES

- **Subsea/FPSO:** FLNG hull and subsea tie-back scopes will require mooring systems, flexible risers, and subsea production equipment — monitor Area 4 operator procurement channels for pre-FEED and FEED contractor engagement.

- **LNG:** Coral Norte's floating liquefaction model creates demand for LNG process module fabrication, cryogenic systems, and commissioning services similar to those supplied on Coral Sul.
- **Drilling:** Development drilling campaigns in Rovuma Basin deepwater will require specialised rigs and well services; track operator announcements for rig contract tenders tied to Coral Norte production wells.
- **Pipeline:** Subsea pipeline and flowline installation between wellheads and the FLNG vessel represents a potential scope; monitor EPCI contract awards for offshore pipeline segments.
- **Service:** Marine logistics, ROV support, and offshore construction vessel services will be required throughout the construction phase; begin dialogue with EPCI contractors likely to bid the offshore scope.

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