CONSTRUCTION REVIEW ONLINE · SOUTH AFRICA · LNG

Engen-Led Consortium's $2.3bn Durban LNG-to-Power Project to Include 1.9 GW Power Plant

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A consortium led by Vitol Group's Engen Petroleum unit is advancing a 40 billion rand ($2.3 billion) integrated liquefied natural gas-to-power project at the Port of Durban, South Africa, with construction targeted for late 2028 and commercial electricity generation expected in the second half of 2031. New reporting has confirmed that the project will include a 1.9 gigawatt combined-cycle power plant, providing the first firm capacity figure for what would be one of the larger private energy investments currently in development in South Africa.

The 1.9 GW combined-cycle specification anchors the project's scale and positions it as a material contributor to South Africa's generation mix. The integrated nature of the development points to a full LNG value chain on site: marine offloading, storage, regasification and gas-fired power generation within the Port of Durban footprint. The consortium structure — with Engen as lead and additional members not yet publicly disclosed — suggests risk-sharing arrangements and potentially multiple financing and development partners across these scopes.

The project carries a dual strategic rationale. Beyond addressing South Africa's chronic electricity shortfalls and supporting the country's efforts to diversify away from ageing coal-fired capacity, the development is explicitly positioned to offset declining natural gas supplies from Mozambique. This supply-side framing adds a regional energy security dimension to what might otherwise appear as a purely

domestic generation play, and it reinforces the rationale for dedicated LNG import infrastructure rather than pipeline-dependent solutions.

The proposed facility's location within the Port of Durban positions it to receive LNG directly by vessel, implying marine offloading infrastructure alongside regasification and generation capacity. This introduces marine logistics complexity requiring coordination with Transnet, the state-owned port and freight operator. No engineering, procurement or construction contractors have been publicly named, and the project has not yet reached a final investment decision. The 2028 construction timeline suggests that procurement and contracting processes remain in preparatory or pre-FEED phases, with regulatory approvals and financing workstreams continuing in parallel.

South Africa's gas-to-power ambitions have faced repeated delays over the past decade, constrained by regulatory uncertainty and grid integration challenges. A well-capitalised consortium led by an international trading group with established South African operations may be better positioned than earlier standalone proposals to reach financial close, though the gap between the current stage and a 2028 groundbreaking remains considerable. If the project proceeds on schedule, the 1.9 GW combined-cycle plant would begin delivering commercial power in the second half of 2031 — a timeline that coincides with South Africa's ongoing efforts to reshape its generation mix and manage the structural decline of domestic gas supply.

Why this matters to partners and clients of Saga

The confirmed 1.9 GW combined-cycle specification adds engineering precision to the scope, reinforcing potential mandates for Norwegian specialists in LNG marine offloading, mooring systems, regasification and power plant auxiliary equipment once FEED and contracting processes open — likely from 2026 onward if the 2028 schedule holds. The Mozambique gas-decline rationale also suggests the project sponsors are committed to a long-term LNG import solution, increasing the likelihood of sustained marine and terminal infrastructure investment. Norwegian companies should continue tracking consortium member disclosures, as individual partners may carry distinct procurement mandates across the marine, storage and generation scopes.

PARTNER ANGLES

- **LNG terminal and regasification specialist:** 1.9 GW plant scale implies substantial regasification throughput; pre-FEED and FEED engagement opportunities for floating or land-based regasification unit suppliers and designers.
- **Marine and mooring systems provider:** Port of Durban LNG vessel offloading requires marine offloading arms, mooring systems and jetty infrastructure — scope well suited to Norwegian maritime technology firms.
- **Power generation equipment and EPC support:** Combined-cycle specification opens roles for turbine auxiliaries, heat recovery systems and project management support during the EPC phase from 2028.
- **Project finance and risk advisory:** Complex consortium structure with undisclosed members and a long path to FID creates demand for independent technical advisory and lender's engineer services.

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