

AFRICAN ENERGY CHAMBER · LNG

Mozambique LNG Must Deliver Local Benefit as Projects Enter Defining Decade

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Mozambique stands at a crossroads in its liquefied natural gas development, with industry insiders and civil society increasingly demanding that the country's vast offshore reserves translate into tangible gains for ordinary Mozambicans — not merely export volumes and foreign revenues. Xiluva Mondlane, a Mozambican national and Field Specialist at Baker Hughes, has articulated what citizens expect as the country's LNG developments enter what many are calling a defining decade.

Mozambique holds some of the largest natural gas reserves ever discovered in Sub-Saharan Africa, concentrated in the Rovuma Basin offshore Cabo Delgado province. TotalEnergies' Area 1 onshore LNG project, which was suspended in 2021 following insurgent attacks, has shown cautious signs of potential restart, while Eni's floating LNG vessel, Coral Sul FLNG, continues to produce and export cargo to European buyers. The aggregate potential of these assets — if brought fully online — could position Mozambique among the top five global LNG exporters within the next decade. However, persistent security concerns, community displacement, and a limited local content framework have fuelled growing scepticism among the Mozambican population about who ultimately benefits.

Mondlane's perspective, rooted in both professional experience with a major oilfield services company and personal identity as a Mozambican, reflects a broader shift in the regional energy conversation. The argument is not anti-development; rather, it calls for a recalibration of how LNG revenues are structured, how local procurement

is enforced, and how skills transfer programmes are designed and implemented. Local content legislation exists on paper, but execution has been inconsistent, with international contractors frequently relying on expatriate labour for roles that could reasonably be filled by trained Mozambicans.

The security situation in Cabo Delgado, while improved following the intervention of Rwandan and Southern African Development Community forces from 2021 onwards, remains fragile. Any resumption of large-scale construction activity at Area 1 will require not only physical security guarantees but also a demonstrable social contract with affected communities. Observers note that the insurgency itself was partly fuelled by local grievances over exclusion from LNG-related economic opportunities — a feedback loop that project sponsors and the Mozambican government cannot afford to ignore in the next phase of development.

For the international energy services industry, the message from voices like Mondlane's is clear: companies that arrive in Mozambique with robust local hiring plans, genuine technology transfer commitments, and community investment programmes will be better positioned — commercially and reputationally — than those treating local content as a compliance checkbox. The coming years, as final investment decisions and restart timelines for Area 1 are reconsidered, represent a narrow window to embed inclusive practices at the foundation of project execution rather than retrofitting them later.

Why this matters to partners and clients of Saga

Norwegian service companies monitoring Mozambique should treat inclusive growth commitments as a commercial differentiator, not a constraint — firms with credible local content and skills-transfer track records from the Norwegian continental shelf are well placed to present those credentials to TotalEnergies and Eni as Area 1 restart discussions progress. The Coral Sul FLNG operation provides an active entry point for subsea, maintenance, and marine services today, while the Area 1 onshore LNG restart represents a larger, longer-horizon opportunity worth positioning for now.



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- **LNG:** Monitor TotalEnergies Area 1 restart timeline closely and prepare bids that explicitly address local content requirements, which will be politically non-negotiable in any resumed construction phase.
- **Subsea/FPSO:** Eni's Coral Sul FLNG is operational and offers near-term opportunities in subsea inspection, maintenance, and repair services that Norwegian firms with FLNG experience can compete for today.
- **Drilling:** Future appraisal and development drilling in the Rovuma Basin will resume ahead of any Area 1 restart; Norwegian drilling contractors should establish local partnerships and entity presence now to meet anticipated local content thresholds.
- **Service:** Baker Hughes' active role signals sustained oilfield services demand; Norwegian well services and completions companies should explore teaming arrangements with established in-country operators to access upcoming scopes.
- **Pipeline:** Onshore gas infrastructure connecting Rovuma production to domestic consumers is a stated government priority; Norwegian pipeline engineering firms can position by engaging with state utility ENH on feasibility and project development support.

[Original source: African Energy Chamber →](#)

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