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# South Africa $2.3bn LNG-to-power project advances

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An Engen-led consortium has placed a $2.3 billion integrated LNG-to-power project on South Africa's development agenda, encompassing a 1.9 GW power plant, an LNG import terminal, and associated infrastructure. The proposal represents one of the more substantial gas-to-power initiatives to emerge in South Africa as the country seeks to address its persistent electricity supply shortfall.

The project is structured as an integrated development, meaning the LNG import terminal and the power generation facility are conceived as a single investment package rather than separate phases. This approach is intended to reduce off-take risk and streamline financing, as the terminal's primary customer — the power plant — is built into the project structure from the outset. The 1.9 GW capacity, if realised, would constitute a meaningful addition to South Africa's installed generation base.

South Africa has been actively pursuing gas and LNG solutions to supplement its coal-heavy generation mix and compensate for persistent shortfalls from the state utility's ageing fleet. Several LNG import and regasification proposals have circulated over the past decade, but progress has been constrained by regulatory complexity, land and port access issues, and the challenge of securing long-term power purchase agreements with solvent off-takers. The Engen-led consortium's proposal will need to navigate these same hurdles before reaching a financing or final investment decision stage.

The $2.3 billion price tag covers the full integrated scope — terminal, regasification, power generation, and related grid and marine infrastructure. No construction

timeline, project site, or financing structure has been disclosed in publicly available information at this stage, and the project remains at a development or pre-feasibility stage. The involvement of Engen, a downstream energy company with an established South African retail and distribution presence, signals an attempt to leverage existing in-country relationships and logistics knowledge.

South Africa's LNG import ambitions have drawn interest from multiple international developers and equipment suppliers, as the country's scale — both in terms of power demand and industrial gas consumption — makes it one of the more commercially attractive LNG destinations on the continent. Whether this particular consortium can advance from agenda item to bankable project will depend heavily on regulatory approvals, grid connection commitments, and the structure of any government or utility off-take support.

### Why this matters to partners and clients of Saga

This project is at a pre-feasibility or development agenda stage — no FID, tender, or procurement process has been announced. Norwegian LNG infrastructure, FSRU, and marine terminal specialists should monitor the project's regulatory and financing progress and consider early relationship-building with the Engen-led consortium as the design scope firms up. Outreach to procurement is premature at this stage.

#### PARTNER ANGLES

- **LNG:** FSRU and regasification technology providers should track this project as terminal design scope and technology selection will be defined in early development phases.
- **Subsea/FPSO:** Marine and offshore terminal specialists may find relevance if the LNG import facility adopts a floating storage and regasification solution rather than land-based infrastructure.
- **Pipeline:** Gas pipeline and onshore distribution contractors should monitor as interconnecting infrastructure between the terminal and power plant will form part of the integrated scope.

- **Service:** Project management, FEED, and owner's engineer firms with LNG-to-power integration experience are well positioned to engage early as the consortium moves toward feasibility studies.

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