

OFFSHORE TECHNOLOGY · LNG

ExxonMobil and ZET Sign HoA for South Africa's First LNG Import Terminal

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The Zululand Energy Terminal (ZET) has executed a heads of agreement (HoA) with ExxonMobil South Africa LNG, an affiliate of ExxonMobil, to establish South Africa's first liquefied natural gas import terminal. The agreement marks a significant step toward introducing piped and regasified LNG supply into the South African energy market, a country that has long grappled with chronic electricity shortfalls and energy security challenges.

The terminal, which carries the Zululand name, signals an intention to develop import infrastructure along South Africa's coastline, though the article does not specify the precise location, scale, or projected throughput capacity of the facility at this stage. The HoA represents an early-stage commercial alignment between the two parties rather than a final investment decision, meaning the project will need to progress through further feasibility, regulatory, and financing milestones before construction commences.

South Africa has been actively exploring LNG as a bridging fuel to offset its dependence on coal-fired generation and to provide industrial gas supply to sectors currently underserved by domestic pipeline infrastructure. The involvement of ExxonMobil, one of the world's largest LNG traders and producers, lends the project considerable commercial credibility and suggests access to global LNG supply chains will not be the primary bottleneck. The partnership with ZET, a dedicated terminal developer, points to a project structure where infrastructure development and gas supply responsibilities are split between specialist parties.

LNG import terminals are capital-intensive and technically complex projects, typically involving floating storage and regasification units (FSRUs) or land-based regasification facilities, alongside jetty and pipeline interconnect infrastructure. While the article does not specify which technical approach ZET and ExxonMobil intend to adopt, the choice will significantly influence the procurement and contracting opportunities available to international service providers. FSRUs in particular have become the preferred entry-point solution for emerging LNG import markets due to their faster deployment timelines and lower upfront capital requirements compared to onshore greenfield terminals.

For the broader South African energy market, a functioning LNG import terminal would open new gas supply routes for power generation, industrial feedstock, and potentially transport fuel applications. South Africa's existing gas infrastructure is limited, meaning any terminal development would likely need to be accompanied by downstream distribution investment to realize its full market potential. The HoA between ZET and ExxonMobil is therefore best understood as the starting signal for what could become one of the most strategically significant energy infrastructure projects on the continent's southern tip.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor this project closely as it progresses toward a final investment decision, particularly FSRU operators, marine terminal engineers, and LNG regasification specialists who could position early for FEED and EPC tender processes. Companies with FSRU conversion, mooring systems, or jetty engineering capabilities are well placed to engage ZET as the technical scope becomes clearer. Given the early HoA stage, the immediate action is relationship-building with both ZET and ExxonMobil South Africa LNG rather than active bidding.

PARTNER ANGLES

- **LNG:** FSRU owners and LNG regasification technology providers should engage ZET now to influence technical specifications before FEED is awarded.
- **Subsea/FPSO:** Offshore marine and mooring specialists can explore jetty, breakwater, and FSRU anchoring system scopes as the terminal configuration is defined.

- **Pipeline:** Pipeline engineers and onshore gas distribution specialists should assess the downstream interconnect opportunity, as a new terminal will require gas evacuation infrastructure.
- **Drilling:** No direct drilling angle at this stage, but companies should monitor whether the project catalyses upstream gas exploration activity in South Africa.
- **Service:** Marine logistics, inspection, and commissioning service providers should track project timelines to position for terminal construction and first-gas support contracts.

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