AFRICA OIL+GAS REPORT · LNG

Perenco Redirects Cameroon Gas Supply Inward as FLNG Vessel Exits

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Perenco is planning to redirect gas previously allocated for export toward domestic use in Cameroon, following the departure of the Floating Liquefied Natural Gas vessel Hilli Episeyo from the country. The FLNG unit has now left Cameroon to begin a 20-year charter in Argentina, marking the end of its operational role in Cameroonian waters and triggering a strategic pivot in how Perenco intends to monetise the gas volumes that were previously feedstock for the vessel.

The Hilli Episeyo's departure represents a significant structural shift in Cameroon's gas value chain. The vessel had been a key export infrastructure asset, converting associated and non-associated gas into LNG for international markets. With that export route now closed, Perenco faces the practical question of what to do with gas production that no longer has a liquefaction pathway. The company's answer, according to reports, is to target the domestic market — a move that aligns with broader Cameroonian government ambitions to expand access to natural gas within the country.

For the domestic gas strategy to be commercially viable, Perenco will need to develop or expand the infrastructure required to deliver gas to local consumers, whether industrial, power generation, or residential end-users. This implies potential investment in pipelines, compression facilities, and possibly small-scale distribution infrastructure — all of which represent project opportunities for international service and engineering companies operating in the region. The scale and timeline of these investments have not been specified in available reports, but the direction of travel is clear.

From a market perspective, Cameroon's domestic gas demand has historically been constrained by limited infrastructure rather than lack of appetite. The country's power sector in particular has faced chronic shortages, and gas-to-power projects have long been discussed as a solution. If Perenco moves to supply gas domestically at meaningful volumes, it could catalyse a broader gas monetisation ecosystem in the country, potentially attracting additional investment in midstream and downstream infrastructure.

The transition also raises questions about the upstream production profile. Gas that was previously conditioned and delivered to a floating liquefaction vessel will now need to be rerouted through different offtake arrangements. Depending on reservoir characteristics and existing processing infrastructure, adjustments to separation, compression, and gas handling facilities onshore or nearshore may be required. How Perenco manages this transition — and at what pace — will be a key variable for service companies assessing entry points into the Cameroonian gas market over the near term.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor Perenco's domestic gas infrastructure plans closely, as the redirection of export-grade gas volumes toward local markets is likely to require pipeline, compression, and gas processing investment. Companies with midstream engineering and gas handling capabilities are best positioned to engage early, either directly with Perenco or through EPC contractors. This is a market development story rather than an immediate tender opportunity — partners should establish relationships now ahead of project definition.

PARTNER ANGLES

- **Pipeline:** Domestic gas distribution will require new or upgraded pipeline infrastructure; Norwegian pipeline engineering firms should engage Perenco on routing and design studies.
- **Service:** Gas conditioning and compression modifications at existing upstream facilities may be needed to support domestic offtake; well services and process engineering firms should assess scope.

- **LNG:** With the FLNG vessel departed, small-scale LNG or CNG solutions could still serve industrial customers where pipeline access is uneconomic — a niche worth exploring.
- **Subsea/FPSO:** If any offshore gas processing or gathering infrastructure requires reconfiguration to support revised offtake routes, subsea engineering expertise may be relevant at a later stage.

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